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**1997-99 Revised Budget (1998 Supp)**

Tuesday, Mar. 10, 1998

**House of Representatives**

11:24 am

(Dollars in Thousands)

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	376.0	49,853	49,853
<b>1998 Supplemental Changes:</b>			
1. Concurrent Actuarial Audit	0.0	0	25
2. K-20 Technology Consultant	0.0	75	75
Total Supplemental Items	0.0	75	100
1997-99 Revised Appropriations	376.0	49,928	49,953

*Comments:*

**1. Concurrent Actuarial Audit** - Funding is provided to implement SHB 2544 (funding the state retirement systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)

**2. K-20 Technology Consultant** - One-time funding is provided for technical and cost analysis of issues related to the K-20 state-wide technology system. Analysis will include evaluation of system implementation progress, future system costs, emerging technologies and agency K-20 requests for the 1999-2001 budget.

# 1997-99 Revised Budget (1998 Supp)

## Senate

Tuesday, Mar. 10, 1998  
11:24 am

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	297.6	39,995	39,995
<b>1998 Supplemental Changes:</b>			
1. Concurrent Actuarial Audit	0.0	0	25
2. TMDL Review	0.0	75	75
3. Long-term care performance review	0.0	75	75
Total Supplemental Items	0.0	150	175
1997-99 Revised Appropriations	297.6	40,145	40,170

### Comments:

**1. Concurrent Actuarial Audit** - Funding is provided to implement SHB 2544 (funding the state retirement systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)

**2. TMDL Review** - One-time funding is provided for technical and cost analysis of issues related to the K-20 state-wide technology system. Analysis will include evaluation of system implementation progress, future system costs, emerging technologies and agency K-20 requests for the 1999-2001 budget.

**3. Long-term care performance review** - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.

**1997-99 Revised Budget (1998 Supp)**  
**Jt Leg Audit & Review Committee**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	17.0	2,796	2,796
<b>1998 Supplemental Changes:</b>			
1. Management Audit of D.D.D.	0.0	75	75
2. Certificate of Need Study	0.0	35	35
3. K-12 Finance Study	0.0	340	340
Total Supplemental Items	0.0	450	450
1997-99 Revised Appropriations	17.0	3,246	3,246

*Comments:*

**1. Management Audit of D.D.D.** - Funding is provided for a management audit of the Department of Developmental Disabilities. The study will analyze and evaluate the division's current organizational structures and management practices; document and assess the impact of overlapping statutory or administrative code responsibilities; and identify and document opportunities to more efficiently and effectively serve the needs of the targeted population.

**2. Certificate of Need Study** - Funding is provided for a study of the certificate of need program for health care services. The study will analyze the affect of the state certificate of need program on the cost, quality, and availability of health care services and the impact that repeal of the program would have on the cost, quality and availability of care.

**3. K-12 Finance Study** - One-time funding is provided for a study of the state's financing of the K-12 public school system.

**1997-99 Revised Budget (1998 Supp)**  
**LEAP Committee**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	12.0	2,595	2,595
<b>1998 Supplemental Changes:</b>			
1. K-12 Finance Study	0.5	150	150
Total Supplemental Items	0.5	150	150
1997-99 Revised Appropriations	12.5	2,745	2,745

*Comments:*

**1. K-12 Finance Study** - Funding is provided for support of the K-12 finance study conducted by the Joint Legislative Audit and Review Committee.

**1997-99 Revised Budget (1998 Supp)**  
**Court of Appeals**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	138.1	20,358	20,358
<b>1998 Supplemental Changes:</b>			
1. Salary Increments/Budget Shortfall	0.0	278	278
2. Building Maintenance Costs	0.0	11	11
Total Supplemental Items	0.0	289	289
1997-99 Revised Appropriations	138.1	20,647	20,647

*Comments:*

**1. Salary Increments/Budget Shortfall** - Funding is provided for the costs of providing periodic merit increments for non-judicial employees. While the funding provided is on-going, the decision to provide additional funding for new merit increments in future biennia will be made on a case by case basis.

**2. Building Maintenance Costs** - Beginning January 1999, funding is provided to cover the increased janitorial and utility costs associated with the expansion and remodel of the Division III building. Beginning January 1, 2001, funding is assumed to increase to 2% of the buildings appraised value to cover maintenance costs as well.

**1997-99 Revised Budget (1998 Supp)**  
**Commission on Judicial Conduct**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	7.2	1,305	1,305
<b>1998 Supplemental Changes:</b>			
1. Judicial Conduct Proceedings	0.0	101	101
Total Supplemental Items	0.0	101	101
1997-99 Revised Appropriations	7.2	1,406	1,406

*Comments:*

**1. Judicial Conduct Proceedings -** Funding is provided for ten additional days of public hearing and three additional case appeals. In addition to the funding provided here, \$60,000 in funding was provided to the commission from the Governor's emergency fund to partially cover this increased workload.



**1997-99 Revised Budget (1998 Supp)**  
**Office of Administrator for Courts**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	321.5	25,318	72,757
<b>1998 Supplemental Changes:</b>			
1. JIS Equipment for Leg Mandates	0.0	0	1,184
2. Voters Pamphlet	0.0	175	175
3. TASC Outcome Evaluation	0.0	100	100
4. PSEA Shortfall	0.0	0	-215
Total Supplemental Items	0.0	275	1,244
1997-99 Revised Appropriations	321.5	25,593	74,001

*Comments:*

**1. JIS Equipment for Leg Mandates** - Funding is provided to equip judges and commissioners so that they can access the judicial information systems. Access is necessary to implement the provisions of domestic violence legislation passed in 1995. That legislation requires that the judge check for restraining and no contact orders prior to issuing a decision on pending civil or criminal matters. (Judicial Information System)

**2. Voters Pamphlet** - Funding is provided for the production and distribution of a judicial voter pamphlet for the 1998 primary election. The voters pamphlet will be prepared by Office of the Administrator for the Courts and will provide information about local judicial candidates and races. The pamphlet will be distributed using newspaper delivery staff.

**3. TASC Outcome Evaluation** - Funding is provided for the Washington State Institute for Public Policy to study outcomes of offenders sentenced to the treatment alternatives for street crime (TASC) program. The study will focus on recidivism outcomes and will also recommend which state agency should have administrative responsibility for TASC.

**4. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

**1997-99 Revised Budget (1998 Supp)**  
**Office of Public Defense**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	5.0	0	12,187
<b>1998 Supplemental Changes:</b>			
1. PSEA Shortfall	0.0	0	-84
Total Supplemental Items	0.0	0	-84
1997-99 Revised Appropriations	5.0	0	12,103

*Comments:*

- 1. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

**1997-99 Revised Budget (1998 Supp)**  
**Office of the Governor**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	63.0	10,010	10,898
<b>1998 Supplemental Changes:</b>			
1. Children's Ombuds Staff and Travel	0.7	55	55
2. Wenatchee Investigation	0.0	23	23
3. Puget Sound Estuary Program	4.1	0	365
Total Supplemental Items	4.8	78	443
1997-99 Revised Appropriations	67.7	10,088	11,341

*Comments:*

**1. Children's Ombuds Staff and Travel** - Funding is provided for travel costs and one support staff. Travel costs for investigations, quarterly legislative oversight committee meetings in Eastern Washington, and other family and children's activities across the state have been higher than anticipated.

**2. Wenatchee Investigation** - Funding is provided for three investigators' travel costs for eight months (five days per month) and the costs for transcribing 65 audio-taped interviews on the review of the Wenatchee child sex abuse investigations.

**3. Puget Sound Estuary Program** - Federal funding is provided through an Environmental Protection Agency grant for the Puget Sound Estuary Program. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Public Disclosure Commission**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	18.7	2,663	2,663
<b>1998 Supplemental Changes:</b>			
1. Improve Public Access to Records	0.0	56	56
2. Attorney General Services	0.0	111	111
Total Supplemental Items	0.0	167	167
1997-99 Revised Appropriations	18.7	2,830	2,830

*Comments:*

**1. Improve Public Access to Records** - Funding is provided for moving the Public Disclosure Commission to a larger facility and to pay for a higher per square foot lease cost. The PDC's lease for the current facility expires in October 1998.

**2. Attorney General Services** - Funding is provided for Attorney General services. The Public Disclosure Commission is utilizing Attorney General services at a higher than anticipated rate in fiscal year 1998.

**1997-99 Revised Budget (1998 Supp)**  
**Office of the Secretary of State**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	131.9	13,956	23,712
<b>1998 Supplemental Changes:</b>			
1. Census Block Boundary Program	0.0	86	86
2. Vendor technical assistance	0.5	194	194
3. Security Microfilm Restoration	0.0	0	280
4. Public Affairs Broadcasting	0.0	1,850	1,850
Total Supplemental Items	0.5	2,130	2,410
1997-99 Revised Appropriations	132.4	16,086	26,122

*Comments:*

**1. Census Block Boundary Program** - Funding is provided to continue staff support for census-related activities in anticipation of the national census in the year 2000.

**2. Vendor technical assistance** - ESHB 2882 establishes a "secretary of state mentoring grant" for nonprofit social service contractors who provide contracted services to state agencies. Funding is provided to convene a technical advisory committee and administer the grant program.

**3. Security Microfilm Restoration** - Funding is provided to preserve and restore security microfilm of essential local government records. (Archives and Records - Private/Local).

**4. Public Affairs Broadcasting** - Funding is provided to continue public affairs broadcasting by TVW in FY 1999. The Secretary of State must enter into a four-year contract to provide continued broadcasting of public affairs proceedings through Fiscal Year 2003.

**1997-99 Revised Budget (1998 Supp)**  
**Office of the State Treasurer**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	72.5	0	11,567
<b>1998 Supplemental Changes:</b>			
1. Treasury Management System	0.0	0	815
Total Supplemental Items	0.0	0	815
1997-99 Revised Appropriations	72.5	0	12,382

*Comments:*

**1. Treasury Management System** - Funding is provided for the continued development of the treasury management system. The initial 1997-1999 biennial budget includes \$450,000 to begin developing the new system. This item funds design and development during the remainder of the biennium. The treasury management system will replace existing state debt, investments, cash management, and treasury accounting systems. (State Treasurer's Service Account)

**1997-99 Revised Budget (1998 Supp)**  
**Office of the State Auditor**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	297.8	1,356	39,416
<b>1998 Supplemental Changes:</b>			
1. Whistleblower Program	2.0	0	250
2. Audit Electronic Signatures	0.0	0	75
3. Electric utility report	0.0	25	25
4. K-12 Audit Resolution Team	6.3	500	500
5. State contractor audits	1.0	0	120
Total Supplemental Items	9.3	525	970
1997-99 Revised Appropriations	307.1	1,881	40,386

*Comments:*

**1. Whistleblower Program** - Funding is provided to address an increase in the number of whistleblower cases being reported by state employees and the increased complexity of these investigations. (Auditing Services Revolving Account-State)

**2. Audit Electronic Signatures** - Funding is provided for compliance audits of the Secretary of State and the Department of Information Services in certifying digital signatures of private companies, local governments, and state agencies. (Auditing Services Revolving Account-State)

**3. Electric utility report** - Funding is provided for the implementation of E2SHB 2831 (electric utilities report). Electric utilities will provide cost studies and service quality and reliability reports to the State Auditor and the Utilities and Transportation Commission. The Auditor and the Commission will analyze and summarize the submitted studies and reports in a joint report to the Legislature by December 1, 1998.

**4. K-12 Audit Resolution Team** - Funding is provided for auditing state funds allocated to local school districts.

**5. State contractor audits** - ESHB 2881 expands the authority of the state auditor to audit certain nongovernment entities which receive over \$300,000 in contracts in cases where there is reasonable cause to believe that a misuse of state moneys has occurred. Funding is provided to conduct audits for reasonable cause. (State Auditing Services Revolving Account)

**1997-99 Revised Budget (1998 Supp)**  
**Comm Salaries for Elected Officials**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.3	67	67
<b>1998 Supplemental Changes:</b>			
1. Unemployment Compensation	0.0	7	7
Total Supplemental Items	0.0	7	7
1997-99 Revised Appropriations	0.3	74	74

*Comments:*

**1. Unemployment Compensation** - Funding is provided for unemployment compensation. The Commission on Salaries for Elected Officials has received bills for unemployment compensation in excess of its existing appropriation for fiscal year 1998. Additional funding will allow the Commission to pay these bills and not exceed its appropriation.



**1997-99 Revised Budget (1998 Supp)**  
**Office of the Attorney General**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	991.7	7,992	139,641
<b>1998 Supplemental Changes:</b>			
1. Torts Litigation Workload	2.0	0	750
2. Curfew legal assistance	0.5	84	84
3. False Claims Act	0.9	141	141
4. PSEA Shortfall	0.0	0	-9
Total Supplemental Items	3.4	225	966
1997-99 Revised Appropriations	995.1	8,217	140,607

*Comments:*

**1. Torts Litigation Workload** - Funding is provided for two additional staff in the Torts Division that will be assigned to the Department of Social and Health Services for one year, and outside counsel costs for major cases. An increase in the number of tort lawsuits filed against the state and expanded areas of tort liability have contributed to the increased need for tort defense services. (Legal Services Revolving Account-State)

**2. Curfew legal assistance** - Funding is provided to respond to legal challenges to curfew ordinances adopted by a local jurisdiction. Under SHB 2521, a local jurisdiction that adopts a curfew may ask the Attorney General to defend the ordinance against a legal attack on its constitutionality. Under such circumstances, the Attorney General must provide legal assistance if the Attorney General finds that the ordinance was adopted in accordance with the act and is in substantially the same form as the model ordinance.

**3. False Claims Act** - Funding is provided to investigate false claims against the government. Under ESSHB 2845, any person who knowingly causes a false claim to be submitted against the government may be liable for a civil penalty, damages and costs. Authorized attorneys of the state must investigate wrongful acts and may bring a civil suit where a person committed a wrongful act.

**4. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Financial Institutions**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	116.2	0	15,669
<b>1998 Supplemental Changes:</b>			
1. Unanticipated Receipt	0.0	0	37
Total Supplemental Items	0.0	0	37
1997-99 Revised Appropriations	116.2	0	15,706

*Comments:*

**1. Unanticipated Receipt** - Spending authority is provided for an unanticipated receipt from settlement of a securities enforcement action. (Securities Regulation Account)

**1997-99 Revised Budget (1998 Supp)**  
**Dept Community, Trade, Econ Dev**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	328.9	113,712	310,252
<b>1998 Supplemental Changes:</b>			
1. Transfer visitor centers to GFS	0.0	126	126
2. Washington Manufacturing Service	0.0	290	290
3. Emergency Food Assistance Program	0.0	383	383
4. Early Childhood Education Program	0.0	1,100	1,100
5. Pacific Science Center	0.0	0	2,316
6. Building Code Council	0.0	0	48
7. Clean Washington Account	0.0	0	11
8. Federal Flood Assistance	0.0	0	4,656
9. Byrne Formula Grant	0.5	0	1,750
10. Farm Worker Housing #	0.0	600	600
11. PSEA Shortfall	0.0	61	0
12. Growth Management Assistance	0.8	166	166
13. Mobile Home Relocation Assistance #	0.0	0	50
14. Coastal Erosion	0.0	275	275
15. Crime Stoppers Grant Program	0.3	150	150
16. Community Service Grants	0.0	0	5,000
17. Regulatory Reform	0.1	49	49
Total Supplemental Items	1.7	3,200	16,970
1997-99 Revised Appropriations	330.6	116,912	327,222

*Comments:*

**1. Transfer visitor centers to GFS** - Funding is transferred from the motor vehicle account to the state general fund for the visitor information centers. Certain programs and portions of programs within the CTED were historically funded in the operating budget. In the 1993-95 Biennium, funding responsibility for many of these programs was transferred to the transportation budget. The operating budget assumes funding responsibility for these programs beginning in FY 98.

**2. Washington Manufacturing Service** - The Washington Manufacturing Service (WMS) is a non-profit organization that provides technical assistance to small manufacturers. Funding is provided to add four WMS field staff to serve Southwest Washington (Centralia to Vancouver), Yakima and the Tri-Cities area, east King County, and one staff person to focus on the food processing sector.

**3. Emergency Food Assistance Program** - Funding is provided for food banks in response to an increasing number of clients.

**4. Early Childhood Education Program** - Funding is provided for 258 enrollment slots in the Early Childhood Education and Assistance Program (ECEAP), for a total of 7,032 enrollment slots.

**5. Pacific Science Center** - Additional appropriation authority is provided to permit the pass through of remaining grant funds from The United States Department of Housing and Urban Development to improve the Pacific Science Center's capital facilities. (General Fund-Federal)

**6. Building Code Council** - Additional appropriation authority is provided to support the State Building Code Council at authorized staffing levels to review new editions of the national model building codes being developed for the Year 2000. (Building Code Council Account)

**7. Clean Washington Account** - Funding is provided for additional assistance to firms in the recycling industry. (Clean Washington Account-State)

**8. Federal Flood Assistance** - Funding is provided from the federal Disaster Recovery Program's carryover funds from the 1995-97 biennium to assist with high wind damage and flood repairs. Additional federal funding is provided for repairs related to the winter of 1997 flood and mud slide damage. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept Community, Trade, Econ Dev**

**9. Byrne Formula Grant** - The federal Byrne Formula Grant provides pass-through funding to state agencies, local governments and nonprofit agencies for drug law enforcement, criminal justice system improvements, drug treatment programs, domestic violence legal advocacy and youth violence prevention programs. Appropriation authority is provided to spend federal Byrne grant funding for Fiscal Year 1999 and to spend federal carryover funds from the prior federal grant periods. (General Fund-Federal)

**10. Farm Worker Housing #** - Funding is provided for grants to develop housing for low-income, temporary or migrant farm workers, in accordance with SSHB 6168. \$100,000 is provided solely for restroom and shower facilities at the Horn Rapids Park in Benton County.

**11. PSEA Shortfall** - Funding is provided to offset a shortfall in the Public Safety and Education Account (PSEA).

**12. Growth Management Assistance** - SHB 2898 modifies the review and evaluation program requirements under the Growth Management Act. Funding is provided to conduct Geographic Information System (GIS) mapping and reporting, provide technical assistance to counties and cities and to conduct necessary policy, regulatory and guidance activities.

**13. Mobile Home Relocation Assistance #** - Funding is provided to increase the maximum amount for mobile home relocation reimbursement by \$500 for double-wide units. (Mobile Home Park Relocation Fund)

**14. Coastal Erosion** - Funding is provided for grants to the City of Ocean Shores, Port of Willapa Harbor, City of Westport, Grays Harbor County and coastal communities for coastal erosion projects.

**15. Crime Stoppers Grant Program** - Substitute House Bill 1800 creates the Crime Stoppers grant program. Funding is provided for Crime Stoppers grants to local law enforcement agencies, and to oversee the grant process.

**16. Community Service Grants** - Funding is provided from the Temporary Assistance for Needy Families (TANF) block grant from the Department of Social and Health Services for WorkFirst community service grants. (General Fund-Federal)

**17. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.

**1997-99 Revised Budget (1998 Supp)**  
**Office of Financial Management**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	181.1	20,783	57,010
<b>1998 Supplemental Changes:</b>			
1. Transfer certain programs to GFS	1.0	138	138
2. BARS Accounting	0.5	74	74
3. Budget and Accounting Support	0.0	256	256
4. Unemployment Compensation	0.0	71	71
5. Robert Wood Johnson Foundation	0.1	0	190
6. Vendor technical assistance	0.0	12	12
7. Vendor contracting services	0.0	139	139
8. Long-term care performance review	0.0	75	75
Total Supplemental Items	1.6	765	955
1997-99 Revised Appropriations	182.7	21,548	57,965

*Comments:*

**1. Transfer certain programs to GFS** - Historically, a transportation budget analyst and transportation policy analyst have been funded in the operating budget, but were transferred to the transportation budget in the 1993-95 biennium. The operating budget assumes responsibility for these positions beginning in FY 1999.

**2. BARS Accounting** - Funding is provided for one analyst position to assist in revising the Budget, Accounting and Reporting System (BARS) to ensure grants are coded accurately, to minimize duplicative data requests, and to answer questions regarding how much the state is contributing to city and county expenditures.

**3. Budget and Accounting Support** - Funding is provided to adjust charges billed to agencies for Small Agency Client Services resulting from an error in billing charges. The Office of Financial Management will adjust the rates charged to agencies for these services at the beginning of the 1999-2001 biennium to reflect the correct rate.

**4. Unemployment Compensation** - Funding is provided to pay unemployment compensation claims on behalf of the Health Services Commission (\$66,000) and the Performance Partnership Council (\$5,000).

**5. Robert Wood Johnson Foundation** - Additional private funding is provided to carry out Basic Health Plan surveys, evaluate the effects of coordinated state purchasing and undertake a state population survey. (General Fund - Local)

**6. Vendor technical assistance** - ESHB 2882 establishes a "secretary of state mentoring grant" for nonprofit social service contractors who provide contracted services to state agencies. Funding is provided for technical assistance to state agencies to improve contract management and administration.

**7. Vendor contracting services** - ESHB 2880 creates the task force on vendor contracting practices. The nine member task force is charged with reviewing fee-for-service and client service contracts conducted by nonprofit contractors. Funding is provided to convene the task force and to provide staff assistance.

**8. Long-term care performance review** - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Personnel**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	215.1	0	28,779
<b>1998 Supplemental Changes:</b>			
1. Investigator Training	0.5	30	100
Total Supplemental Items	0.5	30	100
1997-99 Revised Appropriations	215.6	30	28,879

*Comments:*

**1. Investigator Training** - Investigators are employed by various state agencies, including the State Patrol, the Department of Social and Health Services, Labor and Industries, the Department of Ecology, the Public Disclosure Commission, the State Auditor's Office and the Office of the Attorney General. Chapter 378, Laws of 1997 created a study group, co-chaired by the Attorney General and the Chief of the Washington State Patrol, to develop mandatory training, policies and procedures for state investigators. Funding is provided for an Investigative Training Coordinator to coordinate the training needs among agencies, develop a curriculum, identify trainers and ensure that training is provided, in support of the recommendations of the study group. (General Fund-State, Personnel Services Revolving Fund)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Retirement Systems**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	242.4	0	34,732
<b>1998 Supplemental Changes:</b>			
1. Corrected Auditor's Billing	0.0	0	71
2. Consolidate Staff	3.5	0	2,761
3. Delay Imaging Implementation	0.0	0	-846
4. Plan I Gain Sharing (HB 2491)	0.3	0	118
5. SERS (SSB 6306)	2.7	0	826
Total Supplemental Items	6.5	0	2,930
1997-99 Revised Appropriations	248.8	0	37,662

*Comments:*

**1. Corrected Auditor's Billing** - Funding is provided to pay the State Auditor to audit the Department of Retirement Systems statewide audit and the agency's Comprehensive Annual Financial Report. This funding to pay the State Auditor was omitted from the 1997-99 biennial budget. (Department of Retirement Systems Expense Account)

**2. Consolidate Staff** - Due to an impending rent increase in the agency's current building, the agency is funded to move to more cost effective space if lease negotiations for the current building are not successful. These costs are one-time. (Department of Retirement Systems Expense Account)

**3. Delay Imaging Implementation** - Implementation of the Imaging Project will be deferred if the agency must move to another space. (Department of Retirement Systems Expense Account)

**4. Plan I Gain Sharing (HB 2491)** - Funding is provided for the one-time administrative costs of implementing HB 2491 (gain sharing for PERS and TRS Plan I). (Department of Retirement Systems Expense Account)

**5. SERS (SSB 6306)** - Funding is provided to begin the implementation of SSB 6306 (Washington School Employees Retirement System and Gain Sharing). (Department of Retirement Systems Expense Account)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Revenue**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,025.3	130,353	138,459
<b>1998 Supplemental Changes:</b>			
1. Staff to Implement Tax Legislation	0.5	100	100
2. Regulatory Reform	0.0	94	94
3. Senior Citizen Tax Deferral	0.0	89	89
Total Supplemental Items	0.5	283	283
1997-99 Revised Appropriations	1,025.8	130,636	138,742

*Comments:*

- 1. Staff to Implement Tax Legislation** - Funding is provided to implement tax legislation enacted during the 1998 legislative session.
- 2. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.
- 3. Senior Citizen Tax Deferral** - Funding is provided for implementation of SSB 6321/ESSB 6533 (Senior Citizen Tax Deferral). Senior citizens and persons who are retired from regular employment because of physical disability are eligible for property tax exemption based on disposable household income. The state reimburses local governments for the deferred local property taxes. SSB 6321 and ESSB 6533 broaden eligibility by exempting health care insurance from disposable household income, increasing the parcel size limit and increasing the disposable household income exemption amounts.



**1997-99 Revised Budget (1998 Supp)**  
**Department of Information Services**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	428.6	0	226,333
<b>1998 Supplemental Changes:</b>			
1. K-20 Technology Network	0.0	6,400	6,400
Total Supplemental Items	0.0	6,400	6,400
1997-99 Revised Appropriations	428.6	6,400	232,733

*Comments:*

**1. K-20 Technology Network** - Funding is provided in fiscal year 1999 to the Education Technology Revolving Fund for K-20 operating expenses including transport, network operations, and maintenance in accordance with the funding model approved by the Telecommunications Oversight and Policy Committee (TOPC). This appropriation allows the K-20 technology account to be used for completing Phase II network build-out in accordance with the prioritized Phase II development schedule approved by the TOPC.

**1997-99 Revised Budget (1998 Supp)**  
**Office of Insurance Commissioner**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	162.9	0	22,387
<b>1998 Supplemental Changes:</b>			
1. Regulatory Reform	0.0	0	50
Total Supplemental Items	0.0	0	50
1997-99 Revised Appropriations	162.9	0	22,437

*Comments:*

**1. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.

**1997-99 Revised Budget (1998 Supp)**  
**WA State Liquor Control Board**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	957.7	2,845	134,155
<b>1998 Supplemental Changes:</b>			
1. Increase Funding for Commissions	0.0	0	944
2. Cigarette Tax Enforcement	0.0	52	52
3. Regulatory Reform	0.0	0	26
4. Credit Cards in Liquor Agencies #	0.8	0	65
Total Supplemental Items	0.8	52	1,087
1997-99 Revised Appropriations	958.4	2,897	135,242

*Comments:*

**1. Increase Funding for Commissions** - Funding is provided for an increase in vendor commissions due to a growth in liquor sales. The item reflects a larger sale volume rather than an increased commission rate for agency vendors. (Liquor Revolving Account)

**2. Cigarette Tax Enforcement** - Funding is provided for equipment costs associated with cigarette tax enforcement.

**3. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements. (Liquor Revolving Account)

**4. Credit Cards in Liquor Agencies #** - Funding is provided to implement SSB 6253 (liquor vendors/credit sales). One fiscal technician and a liquor auditor are provided to process transaction fees associated with credit card sales from liquor vendor agencies. (Liquor Revolving Account)

**1997-99 Revised Budget (1998 Supp)**  
**Board for Volunteer Firefighters**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	3.0	0	529
<b>1998 Supplemental Changes:</b>			
1. Reserve Officers HB 1939	0.0	0	5
Total Supplemental Items	0.0	0	5
1997-99 Revised Appropriations	3.0	0	534

*Comments:*

**1. Reserve Officers HB 1939** - Funding is provided for the additional administrative expenses arising from the implementation of HB 1939. (Reserve Officers Benefits). (Volunteer Fire Fighters' Relief and Pension Administrative Account)

**1997-99 Revised Budget (1998 Supp)**  
**Military Department**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	200.6	16,305	200,035
<b>1998 Supplemental Changes:</b>			
1. Pend Oreille County Flood	0.0	9	25
2. Emergency Worker Claims	0.0	108	108
3. Fire Mobilization Reimbursement	0.0	356	1,010
4. Relocation Costs	0.0	69	69
5. Accelerated Disaster Response	0.0	4,693	24,474
Total Supplemental Items	0.0	5,235	25,686
1997-99 Revised Appropriations	200.6	21,540	225,721

*Comments:*

**1. Pend Oreille County Flood** - Funding is provided for assistance to individuals related to the 1997 Pend Oreille County flood. The Federal Emergency Management Agency contributes 75 percent of assistance to individuals and the state is responsible for the remaining 25 percent. General Fund-State dollars are appropriated to the Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)

**2. Emergency Worker Claims** - Funding is provided for emergency worker claims pursuant to chapter 38.52 RCW (Emergency Management) . These claims are for a one time property loss claim of \$36,000 in fiscal year 1998 and a recurring death annuity of \$36,000 in each fiscal year 1998 and fiscal year 1999.

**3. Fire Mobilization Reimbursement** - Funding is provided to reimburse local jurisdictions for the state share of four fire mobilizations in the summer of 1997. The State Fire Resource Mobilization Plan specifies conditions under which the state deploys resources during major fire events and reimburses local jurisdictions for their costs. The General Fund-State dollars are appropriated to the Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)

**4. Relocation Costs** - Construction of a new Emergency Operation Center will be completed in the spring of 1998. Funding is provided for an upgraded telephone system for the new facility, operating costs for phone service, and moving costs. Adjustments also are made to remove lease costs for the old facility and to fund operating and maintenance costs of the new facility.

**5. Accelerated Disaster Response** - Funding is provided to continue the accelerated pace of disaster recovery reimbursements. The Emergency Management Division has made reimbursements to individuals, small businesses and local governments at a more rapid rate than originally anticipated. To continue the accelerated pace of disaster reimbursements, general fund-state dollars are appropriated to the Disaster Response Account for expenses originally anticipated for the 1999-2001 biennium. These costs represent expedited disaster recovery projects; it is assumed that estimated expenditures on current disasters in the 1999-2001 biennium will be reduced by an equal amount. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**State Convention and Trade Center**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	129.0	0	27,175
<b>1998 Supplemental Changes:</b>			
1. Convention and Visitors Bureau	0.0	0	219
Total Supplemental Items	0.0	0	219
1997-99 Revised Appropriations	129.0	0	27,394

*Comments:*

**1. Convention and Visitors Bureau** - Due to higher than expected revenues, funding is provided to increase the agency's payment to the Seattle-King County Convention and Visitors Bureau. (State Convention and Trade Center Operations Account)

**1997-99 Revised Budget (1998 Supp)**  
**WA State Health Care Authority**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	302.9	12,633	557,439
<b>1998 Supplemental Changes:</b>			
1. Basic Health Plan Enrollment	0.0	0	10,992
2. BHP Enrollee Recertification	3.0	0	330
3. Medical Savings Accounts (HB 1805)	0.5	0	150
4. Retiree Lawsuit Settlement	0.7	0	250
Total Supplemental Items	4.2	0	11,722
1997-99 Revised Appropriations	307.0	12,633	569,161

*Comments:*

**1. Basic Health Plan Enrollment** - Additional Health Services Account funding totaling \$11 million is provided to increase subsidized Basic Health Plan enrollment to 137,200 by July 1998. This is the enrollment level anticipated in the original biennial appropriation, but was not attained because: (1) the 1998 premium rates negotiated with health plans increased by 12.3 percent over the 1997 level, rather than 8 percent as budgeted; (2) savings from financial sponsors are less than budgeted; and (3) additional benchmark plans were needed in counties without sufficient access to the statewide benchmark plans. (Other Funds: Health Services Account)

**2. BHP Enrollee Recertification** - Funding is provided to increase the Basic Health Plan's ability to verify that enrollees continue to be eligible for the level of subsidy they are receiving. Eligibility verification efforts are also to be enhanced through (1) electronic matching with wage data, which will permit better targeting of the accounts to be reviewed; and (2) through the new sanctions provided in SHB 3109 for failure to report income changes accurately and on time. The on-going costs are \$242K per year. (Other Funds: Health Services Account)

**3. Medical Savings Accounts (HB 1805)** - Funding is provided to implement HB 1805 which creates a medical savings account pilot project. (Health Services Account)

**4. Retiree Lawsuit Settlement** - One-time funding is provided to process claims and payments in accordance with the settlement in Retired State Employees v. State of Washington et al. (Health Care Authority Administrative Fund)

**1997-99 Revised Budget (1998 Supp)**  
**Human Rights Commission**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	44.4	4,055	5,758
<b>1998 Supplemental Changes:</b>			
1. Caseload and Processing Time	4.0	432	432
Total Supplemental Items	4.0	432	432
1997-99 Revised Appropriations	48.4	4,487	6,190

*Comments:*

**1. Caseload and Processing Time** - Funding is provided for eight FTE staff in fiscal year 1999 to eliminate the current backlog of cases by January 1, 1999 and to reduce the case processing time.



**1997-99 Revised Budget (1998 Supp)**  
**Criminal Justice Training Comm**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	30.1	0	13,918
<b>1998 Supplemental Changes:</b>			
1. Information Technology Improvements	0.0	225	225
2. Lacey Office Rent Increase	0.0	40	40
3. Local Criminal Justice Assistance	0.0	250	250
4. Mobile Training of Law Enforcement	0.0	500	500
5. PSEA Shortfall	0.0	0	-93
Total Supplemental Items	0.0	1,015	922
1997-99 Revised Appropriations	30.1	1,015	14,840

*Comments:*

**1. Information Technology Improvements** - Funding is provided to update and maintain the technology infrastructure supporting the Criminal Justice Training Commission (CJTC). CJTC will purchase computer hardware and software to provide network access and current technology to all staff and instructors. In addition, the registration and student tracking software will be rewritten using currently supported software to enable on-line registration from field sites and provide the field with limited access to training records and schedules.

**2. Lacey Office Rent Increase** - Funding is provided for increased lease obligations resulting from the relocation of the Lacey headquarters. The funding will allow the Criminal Justice Training Commission to relocate their Lacey office from a portable building at Saint Martin's College to a leased facility in the Olympia area.

**3. Local Criminal Justice Assistance** - Funding is provided for local governments experiencing extraordinary criminal investigative costs. Local governments would apply for funding in accordance with HB 2929 (extraordinary criminal justice investigations).

**4. Mobile Training of Law Enforcement** - One-time funding is provided for the training of law enforcement officers and prosecutors in recent changes in criminal justice statutes especially those changes related to drunk driving. Training would be delivered throughout the state.

**5. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

**1997-99 Revised Budget (1998 Supp)**  
**Department of Labor and Industries**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2,661.3	13,653	380,581
<b>1998 Supplemental Changes:</b>			
1. Claims Processing Timeliness	12.0	0	1,372
2. Update Document Imaging	0.0	0	990
3. OSHA Federal Computer Requirements	0.8	0	464
4. New Federal Coding Requirements	0.0	0	560
5. Prevailing Wage Processing	4.0	0	464
6. Contractor Compliance Improvements	0.5	180	180
7. Regulatory Reform	1.0	148	909
Total Supplemental Items	18.3	328	4,939
1997-99 Revised Appropriations	2,679.6	13,981	385,520

*Comments:*

**1. Claims Processing Timeliness** - Additional resources are provided for managing worker compensation claims. (Accident and Medical Aid Accounts-State)

**2. Update Document Imaging** - Funding is provided to replace 665 imaging monitors and video boards to be compatible with the new upgrade version of the document imaging system approved by the 1997 Legislature. (Accident and Medical Aid Accounts-State)

**3. OSHA Federal Computer Requirements** - Funding is provided to install a new Integrated Management Information System, and to rewrite interfaces to Occupational Safety and Health Administration (OSHA) and Washington Industrial Safety and Health Act (WISHA) systems. (Accident and Medical Aid Accounts-State)

**4. New Federal Coding Requirements** - Funding is provided to allow the department to adopt the North American Industry Classification System (NAICS) industry coding structure and the 2000 Census codes for use in coding Labor and Industries employer and claimant data. The department will also modify existing systems to accept six-digit industrial and occupational codes and convert existing data accordingly. (Accident and Medical Aid Accounts-State)

**5. Prevailing Wage Processing** - Funding is provided to implement Substitute House Bill No. 3073, which requires stratified random sampling to determine prevailing wages, and to resolve backlogs in prevailing wage and affidavit forms, increase survey frequency, and support program review and improvement activities currently underway with the department and the prevailing wage advisory committee. (Public Works Administration Account-State)

**6. Contractor Compliance Improvements** - Funding is provided for the implementation of Chapter 314, Laws of 1997 (ESHB 1903) which requires the Department to monitor, track and report requirements of the contractor registration law.

**7. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Health**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,149.2	128,737	504,161
<b>1998 Supplemental Changes:</b>			
1. State Epidemiology & Lab Capacity	2.2	0	216
2. Acute and Home Care	4.4	0	508
3. Medical Impaired Provider	0.0	0	-730
4. Boarding Homes	-4.0	-132	-658
5. Immunization	1.5	0	171
6. Diabetes Control Program	0.5	0	416
7. Abstinence Education	0.9	0	593
8. Information Network/Public Health	3.0	0	1,125
9. Hanford Medical Monitoring	1.3	0	250
10. Laboratory Quality Assurance	0.4	0	95
11. Water Reuse Program	1.1	129	129
12. Child Death Review	0.0	0	-350
13. Replace Health Svcs Acct with GF-S	0.0	6,359	0
14. HCFA Certification	2.7	0	499
15. Surgical Technologists registration	0.0	0	203
16. Hepatitis A Vaccination Program	0.0	300	300
17. Regulatory Reform	2.3	54	67
18. Cervical & Breast Cancer Screening	0.0	1,000	1,000
Total Supplemental Items	16.3	7,710	3,834
1997-99 Revised Appropriations	1,165.5	136,447	507,995

*Comments:*

**1. State Epidemiology & Lab Capacity** - An additional federal grant is available to improve the state's infectious disease surveillance system. The grant is time limited and expected to expire in 1999. (General Fund-Federal)

**2. Acute and Home Care** - More complaints of a complex and serious nature concerning care delivered by operators of acute and home care organizations have been reported in the past year that require immediate investigation. Additional quality assurance staff may be hired to meet this demand, and the department is authorized to raise acute and home care license fees only to the extent necessary to cover this expense. (General Fund-Private/Local)

**3. Medical Impaired Provider** - A \$25 surcharge is placed on physicians' license renewals to fund the Medical Impaired Provider Program (IPP). This program is for the treatment of physicians whose practice is impaired by the use of alcohol or other drugs. Currently, funds are deposited into the Health Professions Account. House Bill 1618 extends the \$25 surcharge and IPP program benefits to physician assistants. Further, it creates a non-appropriated account in the custody of the state treasurer for receipts. This item corrects the appropriation authority originally granted to the department for the 1997-99 biennium to reflect this new policy. (Health Professions Account)

**4. Boarding Homes** - HB 2410 transfers responsibility for this regulatory function from DOH to DSHS Long-Term Care Services. (General Fund-Private/Local)

**5. Immunization** - An additional federal grant is available to raise immunization rates among children and senior citizens. Activities will be carried out to only the extent federal support continues to be available. (General Fund-Federal)

**6. Diabetes Control Program** - An additional federal grant is available for diabetes education and treatment. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)

**7. Abstinence Education** - Additional federal funding, not reflected in the original 1997-99 operating budget, is available to Washington State for abstinence education this biennium. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Health**

**8. Information Network/Public Health** - An additional federal grant is available to upgrade the state's public health computer information network. Any new systems developed will be maintained with existing departmental resources. (General Fund-Federal)

**9. Hanford Medical Monitoring** - The states of Washington, Idaho and Oregon will join efforts to monitor persons exposed to radiation from Hanford between 1945 and 1951 for thyroid disease. This study is federally funded and the department's participation includes outreach activities and health care provider education. (General Fund-Federal)

**10. Laboratory Quality Assurance** - The department will join with the Health Care Financing Administration to identify fraudulent, duplicative billings from medical testing laboratory providers and will explore methods of controlling fraud. If successful, this federally funded study could help reduce the direct cost of health care for patients and third party payers. (General Fund-Federal)

**11. Water Reuse Program** - The water reuse program within DOH provides development of standards for reclaimed water, assurance of public health requirements, permitting and project assistance for water reclamation and reuse facilities in Washington. Funding is providing to support salmon recovery activities.

**12. Child Death Review** - The original 1997-99 biennial budget appropriated \$1 million from the Death Investigation Account for child death reviews. This item transfers \$350,000 of that sum to the State Toxicology Lab at the University of Washington for its supporting activities. (Death Investigation Account)

**13. Replace Health Svcs Acct with GF-S** - Funding for DOH from the Health Services Account is eliminated and funding replaced with state general funds. This action frees up Health Services Account funds to meet the supplemental budget requirements of the state's Basic Health Care Plan.

**14. HCFA Certification** - The federal Health Care Finance Authority (HCFA) contracts with the department to inspect and certify a health care facility as eligible for Medicare reimbursement. Provisions of the federal Balanced Budget Act 1997 changed the nature of these specialized inspections and the workload impact is paid for by HCFA through a larger grant award than was assumed in the original 1997-99 biennial budget. (General Fund-Federal)

**15. Surgical Technologists registration** - E2SHB 2462 provides for the registration of surgical technologists. Allotment authority is increased for the Health Professions Account to enable the collection and expenditure of fees on this regulatory activity (Health Professions Account).

**16. Hepatitis A Vaccination Program** - Funding is provided for the implementation of a Hepatitis A emergency vaccination program. The entire amount will be passed through to county health districts that have employed a public education effort and have infection rates in excess of 500 per 100,000 population.

**17. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.(Health Professions Account)

**18. Cervical & Breast Cancer Screening** - Funding is provided to allow local public health agencies to continue to provide free cervical and breast cancer checks for low-income women, a program made possible with federal grants from the Centers for Disease Control. (General Fund-State)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Veterans' Affairs**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	492.7	19,121	53,455
<b>1998 Supplemental Changes:</b>			
1. Census & Revenue Adjustments	0.0	628	0
2. World War II Memorial	0.0	200	200
Total Supplemental Items	0.0	828	200
1997-99 Revised Appropriations	492.7	19,949	53,655

*Comments:*

**1. Census & Revenue Adjustments** - Additional state funds are provided to support operations at the two state veterans' homes because federal and local revenues are not being generated at the levels originally budgeted. Census at both homes is approximately 4% below budgeted levels, resulting in reduced revenues both from resident contributions and from federal sources. Revenues are also lower than budgeted because federal payment rates and resident cost-of-living adjustments have both increased less than anticipated. (Other Funds: General Fund-Local; General Fund-Federal)

**2. World War II Memorial** - Funding is provided for construction of a memorial on the grounds of the State Capitol to the men and women who served in the armed forces during World War II. Construction of the memorial is to be a public/private partnership, with individual and corporate donors contributing the remaining two-thirds of the monument's cost.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Corrections**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	6,695.4	825,064	848,518
<b>1998 Supplemental Changes:</b>			
1. Community Corr Officers-Firearms	1.7	835	835
2. Delay Tri-Cities WTR	-3.6	-407	-407
3. Population Forecast Adjustment	0.1	41	41
4. DSHS Population Adjustment	7.8	639	639
5. Juvenile Program Savings	-8.7	-334	-334
6. Juvenile Education	0.0	330	330
7. Prison Facilities Savings	-8.7	-1,527	-1,527
8. Agency Efficiencies	-1.9	-1,162	-1,162
9. Eluding a Police Officer #	0.5	240	240
10. Penalties for Manufacture of Meth #	0.1	8	8
11. Conditions of Sentences #	0.7	235	235
Total Supplemental Items	-12.2	-1,102	-1,102
1997-99 Revised Appropriations	6,683.3	823,962	847,416

*Comments:*

**1. Community Corr Officers-Firearms** - In 1997, the Legislature passed, and the Governor vetoed, SB 5047 which permitted community corrections officers to carry firearms in the course of their duties. Under that bill, community corrections officers who would have chosen to carry a firearm would have been required to pay for their own firearm, materials, and equipment. In addition, they would have been required to arrange, purchase and complete a mandatory training program that would have been developed by the Criminal Justice Training Commission. After the veto, the department conferred with labor organizations to reach a mutually agreed upon approach which the department feels can be implemented without statutory change. Funds are provided to the department to purchase firearms, holsters, storage lockers, ammunition, vests, and eye/ear protection. In addition, funding is provided to conduct additional screening of employees who desire to carry firearms. Finally, 2.5 FTE staff are provided to conduct training and coordinate the on-going certification requirements associated with implementing this policy.

**2. Delay Tri-Cities WTR** - Savings result from delays in opening the Tri-Cities Work/Training Release (WTR) facility. Delays are the result of ongoing litigation relating to site selection of the facility. The facility is now assumed to open in June 1999.

**3. Population Forecast Adjustment** - Funding is adjusted to reflect the November 1997 inmate forecast by the Caseload Forecast Council. The new forecast anticipates 46 fewer inmates in fiscal year 98 and 52 more inmates in fiscal year 99 than were originally projected in November 1996.

**4. DSHS Population Adjustment** - The Department of Social & Health Services is relocating the Special Commitment Center from Monroe to McNeil Island. Funding is provided to the Department of Corrections for the increased costs associated with the reoccupation of a close custody unit at Monroe. The Special Commitment Center will be occupying a minimum custody housing unit at McNeil Island.

**5. Juvenile Program Savings** - Chapter 338, Laws of 1997 (E3SHB 3900, Juvenile Code Revisions) requires the department to house most offenders under the age eighteen apart from offenders over the age of eighteen. The original budget assumed that a previously vacant housing unit at the Washington Corrections Center for Women would need to be reopened for this purpose. Savings are generated because the department will instead use a separate portion of an already occupied housing unit.

**6. Juvenile Education** - Chapter 338, Laws of 1997 (E3SHB 3900, Juvenile Code Revisions) requires the department to provide certain educational opportunities to offenders under the age of eighteen. Funding for this program is increased by using a funding formula similar to that currently used to serve juveniles in detention centers and other state institutions. The original budget provided funding for this activity but at a somewhat lower cost per offender.

**7. Prison Facilities Savings** - Savings are realized from delays in opening expansion facilities at Cedar Creek Corrections Center, Larch Corrections Center, McNeil Island Corrections Center, Washington Corrections Center for Women, and the Washington State Reformatory.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Corrections**

**8. Agency Efficiencies** - Savings are realized in personnel costs and through the migration of the Offender Based Tracking System (OBTS) from the Washington State Patrol to the Department of Information Services.

**9. Eluding a Police Officer #** - Funding is provided for the implementation of House Bill No. 1129 (eluding a police officer).

**10. Penalties for Manufacture of Meth #** - Funding is provided for the implementation of House Bill No. 2628 (methamphetamine manufacture).

**11. Conditions of Sentences #** - Funding is provided for the implementation of House Bill No. 2794 (conditions of sentence).

# 1997-99 Revised Budget (1998 Supp)

## Department of Employment Security

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	2,235.5	2,521	409,298
<b>1998 Supplemental Changes:</b>			
1. Welfare to Work	3.9	0	20,156
2. One-Stop Implementation	0.0	0	4,877
3. Local Funds	0.0	0	3,808
4. TAXIS improvements	3.0	0	1,786
5. Field PC Replacement for Year 2000	0.0	0	813
Total Supplemental Items	6.9	0	31,440
1997-99 Revised Appropriations	2,242.3	2,521	440,738

### Comments:

**1. Welfare to Work** - Funding is provided to transition welfare recipients to work. This funding is earmarked for the Job Training Partnership Act service delivery system to provide services for hard-to-serve welfare recipients. Funds currently appropriated for the Temporary Assistance for Needy Families (TANF) program will be used as the source of the required 50 percent state match. It is estimated that 85 percent of the funding available for this program will be passed through to local private industry councils. (General Fund-Federal)

**2. One-Stop Implementation** - Funding is provided to implement a statewide system to improve and integrate all employment service related systems across state government. The federal funds will allow the agency to implement the One-Stop system mandated by the United States Department of Labor. (General Fund-Federal)

**3. Local Funds** - Funding is provided to maintain contracted services in communities throughout the state, including training, job services and labor market information to clients of other state agencies and private non-profit organizations. (General Fund-Private/Local)

**4. TAXIS improvements** - Funding is provided to correct deficiencies within the Tax Information System (TAXIS). (Administrative Contingency Account, Employment Service Administrative Account)

**5. Field PC Replacement for Year 2000** - Funding is provided for the replacement of field personal computers (PCs) for Year 2000 compliance. The federal grant funds may be only used for this activity. (Unemployment Compensation Administration Account - Federal, Employment Services Administration Account - State)



**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Children and Family Services**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2,172.6	405,298	662,197
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-7.0	-916	-1,164
2. Vendor Rate Transfer	0.0	7,621	9,375
3. FMAP Change	0.0	-248	0
4. Children's Forecast Update	0.0	-2,260	-3,283
5. Child Abuse & Treatment Act	1.7	244	321
6. DD Dependent Children Transfer	-6.0	-6,402	-9,051
7. ECEAP program consolidation	0.0	3,000	3,000
8. Becca Bill Related Costs	0.0	7,619	7,619
9. Social Service Block Grant Decrease	0.0	451	0
10. Foster Parent Support Teams	0.0	70	70
11. Victims of Crime Federal Increase	0.0	0	2,435
Total Supplemental Items	-11.4	9,179	9,322
1997-99 Revised Appropriations	2,161.2	414,477	671,519

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Children's Services Administration program (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Aging and Adult Services Administration. (Other Funds: General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches eligible state expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**4. Children's Forecast Update** - The November 1997 forecast estimates that the total family foster home expenditures will decrease by approximately 6.9 percent and adoption support expenditures will decrease approximately 3 percent from the budgeted forecast. Conversely, group foster care expenditures will increase approximately 8.7 percent. The net result is a decrease in expenditures of \$3.3 million (\$2.3 million of which is state dollars). (Other Funds: General Fund-Federal)

**5. Child Abuse & Treatment Act** - Provides funding for the creation of a fair hearing process and accelerated permanency planning for teenage children in foster care to meet new federal standards under the Child Abuse Prevention and Treatment Act of 1996 (CAPTA) and SHB 2556, which enacts the federal changes in state law. Reimbursements for additional services provided by the Office of Administrative Hearings and the Office of the Attorney General, totaling \$144,000, are budgeted in the Payments to Other Agencies program. (Other Funds: General Fund-Federal)

**6. DD Dependent Children Transfer** - Senate Bill 6409 directs that the Division of Developmental Disabilities rather than the Children's Administration should administer services for children with developmental disabilities who have been placed in out-of-home care for reasons other than abuse or neglect. Approximately 300 of the 1,000 children with developmental disabilities who receive out of home care or placement prevention services from the Children's Administration are thought to meet this definition. This item reflects the transfer of \$9 million of staff, equipment, and out-of-home care costs for these 300 children from the Children's Administration to the Division of Developmental Disabilities effective July 1, 1998. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Children and Family Services**

**7. ECEAP program consolidation** - For a number of years, Washington has leveraged the state's investment in early childhood education (ECEAP) by drawing federal Title IV and federal child care grants on behalf of eligible children through DSHS. Federal changes creating a single, consolidated Child Care Development Fund (CCDF) block grant present an opportunity for administrative efficiency. Funding is transferred from Economic Services to the Children's Administration so that one, rather than two, interagency contracts may be let with CTED (for a total of \$9.2 million) this biennium.

**8. Becca Bill Related Costs** - Funding is provided to the counties for the cost of processing truancy, child in need of services (CHINS), and at-risk youth petitions related to the Becca Bills. This constitutes one-time funding for this purpose. Ongoing funding is assumed to be provided through the county criminal justice assistance account beginning in fiscal year 2000. (Other Funds: General Fund-Federal)

**9. Social Service Block Grant Decrease** - The Social Service Block Grant (SSBG), authorized under Title 20 of the Social Security Act, enables each state to furnish social services best suited to the needs of its residents. The amount awarded to Washington for federal fiscal year 1998 is lower than assumed in the original 1997-99 biennial budget. State funding is provided in state fiscal year 1998 to replace the federal reduction. Congress has not appropriated SSBG for federal fiscal year 1999, so the amount of backfill needed in state fiscal year 1999, if any, cannot be determined at this time. (Other Funds: General Fund-Federal)

**10. Foster Parent Support Teams** - This item provides state money for the administrative expenses of the Foster Intervention Retention Support Team. FIRST is a statewide network of volunteers who provide non-judgmental support to foster parents who find themselves under investigation by child protective services for an alleged misconduct or license violation.

**11. Victims of Crime Federal Increase** - Due to several large penalty deposits into the national Crime Victim's Fund last year, aid from the Justice Department for programs designed to assist sexual assault victims and other crime victims will be higher than anticipated in the original 1997-99 biennial budget. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Juvenile Rehabilitation**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,248.0	157,629	201,973
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-138	-138
2. Vendor Rate Transfer	0.0	1,642	1,935
3. FMAP Change	0.0	-22	0
4. Community Juvenile Accountability	0.0	0	2,500
5. Residential Bed Forecast Adjustment	-24.1	-204	-217
6. Group Home Security	1.5	2,365	2,365
7. Sexually Aggressive Youth	6.2	482	482
8. Juvenile Art Education	0.0	150	150
9. Juvenile Crime Prevention Grants	0.0	1,000	1,000
10. Electronic Monitoring of Truants	0.0	250	250
11. Social Service Block Grant Decrease	0.0	2,938	0
Total Supplemental Items	-16.4	8,463	8,327
1997-99 Revised Appropriations	1,231.6	166,092	210,300

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Juvenile Rehabilitation Administration (JRA) program. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the JRA program. (Other Funds: Violence Reduction and Drug Enforcement Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches eligible state expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**4. Community Juvenile Accountability** - Chapter 338, Laws of 1997 (E3SHB 3900, Juvenile Code Revisions) established the Community Juvenile Accountability Act grant program. The grants will allow local communities to implement interventions proven by behavioral science research to be effective in reducing recidivism among juvenile offenders. The grants will be awarded in fiscal year 99. (Violence Reduction and Drug Enforcement Account)

**5. Residential Bed Forecast Adjustment** - Funding is adjusted to correspond to projected population changes included in the November 1997 forecast. JRA's institutional population is forecasted to decrease by 49 in fiscal year 98 and increase by 13 in fiscal year 99 from the November 1996 forecast. In addition, the legislative budget provides funding to keep two cottages at Maple Lane open for fiscal year 99. The original 1997-99 biennial budget assumed that these smaller and less efficient cottages would be closed. These cottages will remain open as more efficient housing units are constructed. All institutional beds are funded using the rates established by the Joint Legislative Audit & Review Committee (JLARC) in their January 1997 study. Funding levels are also adjusted for parole and other community services programs to reflect changes in projected workload. (General Fund-State, General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Juvenile Rehabilitation**

**6. Group Home Security** - Funding (\$190,000) is provided for the implementation of Engrossed House Bill No. 2570 (juvenile offender residential facilities) which mandates the completion of two studies. The department will contract with the Washington State Institute for Public Policy to conduct the study of community residential facilities and the Governor's Juvenile Justice Advisory Committee will conduct the study of juvenile detention standards.

Funding is also provided to improve the safety and security of state run and contracted community residential facilities for juvenile offenders. Of the total, \$1,817,000 is provided for the gathering of additional information during the intake and assessment process, including predispositional diagnostics; \$114,000 is provided for increased staffing at state operated facilities; and \$244,000 is provided to increase vendor payment rates at contracted facilities, provided that the rate increase is used to increase staffing at these facilities.

**7. Sexually Aggressive Youth** - E2SSB 5710 (Chapter 386, Laws of 1997) directed the department to develop a policy to protect youth placed in state operated or state funded residential facilities who are vulnerable to sexual victimization by other youth who are sexually aggressive. Funding was provided to implement the provisions of the bill in the original 1997-99 Biennial budget. During the implementation of the bill, however, the department found that it was unable, especially on one person shifts, to supervise offenders in such a way as to avoid the potential for inappropriate sexual contact. Funding is provided to increase staffing on certain shifts to further minimize the potential for sexual contact.

**8. Juvenile Art Education** - Funding is provided for the expansion of the experimental gallery program. The department will contract with either the children's museum or directly with the experimental gallery program for the expansion.

**9. Juvenile Crime Prevention Grants** - Funding is provided to implement the juvenile violence prevention grant program. The governor's juvenile justice advisory committee will administer the grant program and will fund programs focusing on preventing at risk youth from becoming offenders. The budget sets forth the eligibility and selection process for awarding grants.

**10. Electronic Monitoring of Truants** - Funding is provided for the implementation of Engrossed Second Substitute House Bill No. 3054 (truant, expelled and suspended students). The bill creates a pilot program in three counties, including Yakima, where chronic truants may be placed on electronic monitoring in lieu of detention. A study of the effectiveness of this approach is also required.

**11. Social Service Block Grant Decrease** - The Social Service Block Grant, authorized under the Social Security Act, Title XX, enables each state to furnish social services best suited to the needs of the individuals residing in each state. However, the United States Congress has reduced this funding in federal fiscal year 1998. State funding is provided to replace federal funds so the Department can maintain its social services at the current level. (General Fund-State, General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Mental Health**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2,728.5	474,344	939,345
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-290	-384
2. Vendor Rate Transfer	0.0	8,965	15,877
3. FMAP Change	0.0	-1,134	0
4. Medical Lake Wastewater Treatment	0.0	150	150
5. Outside Medical Costs	0.0	564	1,128
6. Pharmacy & New Drug Costs	0.0	510	1,018
7. Medicare Discharges	0.0	1,700	0
8. Forensic Overcrowding - WSH	5.3	580	921
9. Medicare Crossover Payments	0.0	-2,566	-5,250
10. Special Commitment Ctr: Female Res.	6.6	547	547
11. Special Commitment Ctr Relocation	11.7	2,925	2,925
12. Medicaid Eligibles Forecast	0.0	0	-1,897
Total Supplemental Items	23.5	11,951	15,035
1997-99 Revised Appropriations	2,752.0	486,295	954,380

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in this program. (General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in this program. (Health Services Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches eligible state expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-Federal)

**4. Medical Lake Wastewater Treatment** - DSHS is working with the City of Medical Lake to develop a regional wastewater treatment facility that will provide service to the city and to state facilities. As part of the interlocal agreement, the state is required to provide its share of funds to repay the city for the construction financing it borrows on the state's behalf.

**5. Outside Medical Costs** - Patients at the state mental hospitals who require acute or emergency medical care beyond the level the state hospitals can provide are sent off campus to be treated at community hospitals. Funding is provided to cover increases in these expenses. (General Fund-Federal, General Fund-Private/Local)

**6. Pharmacy & New Drug Costs** - Recently, a number of new psychotropic medications have been introduced, as well as advances in new drugs and antibiotics for use in physical medicine. Although funding for prescription drugs was provided in the 1997-99 biennial budget to account for 4 percent annual inflation, the cost of the new drugs exceed this level. Funding is provided for the higher pharmacy costs at the state hospitals. ( General Fund-Federal, General Fund-Private/Local)

**7. Medicare Discharges** - A recent change by the Health Care Financing Administration (HCFA) directs that Washington state operated psychiatric hospitals begin using a discharge definition of "30 days away from the hospital." The definition in federal rule used by the hospitals is "absent at midnight." The definition of a discharge determines federal reimbursement for Medicare settlement purposes. It is anticipated that issues related to the HCFA policy change will be successfully resolved soon, thus funding is provided to replace estimated lost federal revenue for FY 1998 only.(General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Mental Health**

**8. Forensic Overcrowding - WSH** - The admission ward at Western State Hospital's Legal Offender Unit (LOU) has 27 beds. It has recently been housing an average of 30 to 35 persons on any given day. Western State does not have the option to refuse court commitments. Funding is provided to open up 10 additional beds and to hire additional staff to perform evaluations in local jails prior to admission to the LOU. (General Fund-Federal, General Fund-Private/Local)

**9. Medicare Crossover Payments** - In January 1996 a federal court determined that service payments on behalf of people eligible for both Medicare and Medicaid (Medicare crossover payments) shall be adjusted to 50 percent of the Medicare-allowed amount regardless of Medicaid limits. In the recent federal Balanced Budget Act, states were allowed to impose their own Medicaid limits on these Medicare crossover payments effective October 1997. This item reflects this policy change. (General Fund-Federal)

**10. Special Commitment Ctr: Female Res.** - In September 1997 a court injunction required that the only female resident in the Special Commitment Center be moved out of that facility by October 1997. In order to meet the court's deadline, she has been temporarily relocated to a vacant segregation unit at Twin Rivers Correctional Center (TRCC) until a long-term solution can be developed. Funding is provided for staff necessary for treatment and security at TRCC.

**11. Special Commitment Ctr Relocation** - The Special Commitment Center (SCC) at Monroe is expecting a growth rate for new residents greater than that assumed in the 1997-99 biennial budget. Funding is provided for the staff to accommodate the population increases, court costs increases and one time moving costs.

**12. Medicaid Eligibles Forecast** - The Mental Health Division contracts with the Regional Support Networks to provide managed care for inpatient and outpatient mental health services. Funding levels for the managed care prepaid health plans is based on the Medicaid-eligibles forecast made by the Medical Assistance Administration. The November 1997 forecast is less than the estimate used for the 1997-99 biennial budget by 1.7 percent in Fiscal Year 1998 and 0.23 percent in Fiscal Year 1999. An adjustment is made to the federal match portion only. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	3,362.7	415,063	777,464
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-137	-269
2. Vendor Rate Transfer	0.0	7,656	12,837
3. FMAP Change	0.0	-877	0
4. DD Dependent Children Transfer	9.6	5,696	10,303
5. DD Comm Protection Current Clients	0.0	1,471	3,152
6. New DD Community Protection Clients	3.5	6,753	13,560
7. RHC Downsizing	0.7	620	1,199
8. Case Manager Staffing	20.5	992	1,417
9. CA Clients Aging Into DDD	1.5	1,905	3,767
10. AFH Payment Adjustments	0.0	1,449	2,909
11. Mental Health Outplacements	0.0	426	895
12. Personal Care Exceptional Rates	0.0	750	1,575
13. Aging Parents with DD Children	0.0	604	1,208
14. Medicaid Personal Care	0.0	4,290	9,447
15. Rainier School Settlement	0.0	104	210
16. Fircrest/DOJ Resolution Placements	0.4	614	1,185
17. Fircrest Active Client Engagement	12.4	758	1,490
18. ICF/MR Certification	68.1	2,316	4,632
19. Increased Waiver Funding	0.0	-2,793	0
20. Day Programs for Unserved Adults	0.0	1,792	1,792
21. BHP Under-Expenditure	0.0	0	-2,200
22. UCP Movement Adjustment	0.0	-71	-137
Total Supplemental Items	116.7	34,318	68,972
1997-99 Revised Appropriations	3,479.3	449,381	846,436

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in this program. (General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in this program. (Health Services Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches eligible state expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-Federal)

**4. DD Dependent Children Transfer** - The Developmental Disabilities Division, rather than the Children's Administration, will administer services for children with developmental disabilities who have been placed in out-of-home care for reasons other than abuse or neglect. Approximately 300 of the 1,000 children with developmental disabilities who receive out of home care or placement prevention services from the Children's Administration are thought to meet this definition. Effective July 1, 1998, \$9 million of staff, equipment, and out-of-home care costs for these 300 children are transferred from the Children's Administration to the Division of Developmental Disabilities. Also funded are \$670,000 of increased funding for new costs which the Division of Developmental Disabilities is expected to incur in administering the program and \$582,000 of increased funding for an anticipated 7 percent per year increase in the number of children approved for out-of-home placement as a result of the transfer. This budget provides less state funding and more federal funding than originally proposed by the agency, in anticipation of federal approval by October 1, 1998, of waiver and plan amendments which will enable the Division of Developmental Disabilities to earn a significantly higher federal match rate for these children than has been possible through the Children's Administration. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**

**5. DD Comm Protection Current Clients** - In the 1997-99 biennial budget, funding was provided for the agency to operate secure residential settings with 24-hour supervision for 40 developmentally disabled persons with histories of physically or sexually abusive behaviors or arson. Over the course of the past year, the agency identified and placed an additional 24 persons considered dangerous to the community into more intensively supervised and secure living arrangements. Funding is provided for placement of these 24 persons. (General Fund-Federal)

**6. New DD Community Protection Clients** - Separate from the placements funded in item #5 above, the agency has identified an additional 129 persons with similar dangerous behaviors who are currently in non-secure living arrangements or about to leave jail or mental health hospitals. Funding is provided to operate secure residential settings for these 129 individuals, and also an additional 16 persons who are expected to be identified before the end of the biennium. (General Fund-Federal)

**7. RHC Downsizing** - The agency developed new community services for 41 individuals who moved from the Residential Habilitation Centers (RHCs) during the 1995-97 Biennium. Although less than half the cost of the new community placements was covered by RHC savings, the agency proceeded with the placements without first seeking appropriation authority from the Legislature. Funding is provided for the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-Federal)

**8. Case Manager Staffing** - The agency has added 20.5 case management staff to keep up with caseload and workload increases. These new expenditures were incurred without first seeking appropriation authority from the Legislature. Funding is provided for the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-Federal)

**9. CA Clients Aging Into DDD** - Funding is provided for placement of 76 young persons who will need residential services through the Division of Developmental Disabilities because they have reached an age at which they are no longer eligible for out-of-home care through the Children's Administration (CA). Also included is funding for staff to develop new provider resources for these individuals. The legislative budget provides sufficient funding for the new residential services for these young people to cost 15 percent more than their current placement. (General Fund-Federal)

**10. AFH Payment Adjustments** - The Aging and Adult Services Administration has doubled its payment rates for adult family homes (AFH) since 1995 in order to expand community residential options for its clients. This has had the unintended effect of creating much higher average rates for providers of residential services for the aged compared to those who serve clients with developmental disabilities. This is making placements for developmentally disabled clients into adult family homes more difficult to achieve. This funding level will allow the Division of Developmental Disabilities to provide rate increases targeted for those situations where placement is difficult or clients are in danger of being removed from their current settings. (General Fund-Federal)

**11. Mental Health Outplacements** - Fourteen persons with dual diagnoses of developmental disabilities and mental illness are scheduled to be transferred to Division of Developmental Disabilities residential services upon completion of their treatment at the state mental hospitals. However, sufficient funds are available to absorb the cost of only four of these individuals. Funding is provided to cover the cost of residential and day program services for the remaining ten. (General Fund-Federal)

**12. Personal Care Exceptional Rates** - The 1997-99 biennial budget proposed by the Governor and enacted by the Legislature directed the Department to limit personal care expenditures for persons living with their families to approximately \$564 per month, rather than approving exceptions to policy rates of up to \$863. It was thought that this limitation would affect 375 recipients. The reductions took place in July, 1997, and affected approximately 870 individuals. This item provides funding to once again pay exceptional rates, based on assessed client need. It is expected that this funding, in combination with funds available in the agency base, will restore services to the affected individuals. (General Fund-Federal)

**13. Aging Parents with DD Children** - Funding is provided for residential and other services for 24 persons living with aging parents who are expected to need out-of-home placement during the 1997-99 Biennium due to their parents' death or illness. (General Fund-Federal)



**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**

**14. Medicaid Personal Care** - Caseload growth and average costs per case for Medicaid Personal Care are both growing faster than provided in the 1997-99 biennial budget. To avoid the significant program reductions identified by the agency as being needed to stay within the fiscal year 98 budget, the legislative budget funds all of the expenditure growth proposed by the Governor for fiscal year 98, with a small adjustment to correct for an under-estimate of available federal funding. This will result in an average of 2,100 children being served each month during fiscal year 98 (a 39 percent increase over last year), and an average of 4,388 adults (an 11 percent increase over fiscal year 1997). For fiscal year 1999, the legislative budget provides for the number of persons served to grow at twice the anticipated rate of growth in the number of persons eligible for developmental disabilities services. The supplemental budget provides for an average of 2,575 children and 4,850 adults to be served in fiscal year 1999. This is an 18 percent increase for children, and an 11 percent increase for adults, over the fiscal year 98 level. (General Fund-Federal)

**15. Rainier School Settlement** - As part of a settlement for a lawsuit initiated by Washington Protection and Advocacy on behalf of six residents of Rainier School, the Department has agreed to move these persons from Rainier into community residential settings. Funding is provided for residential and day program services for individuals named in the lawsuit who wish to move. (General Fund-Federal)

**16. Fircrest/DOJ Resolution Placements** - The Department of Justice (DOJ) began investigating conditions at Fircrest School in 1993. In an agreement with DOJ to avoid court action against Fircrest, the DSHS has agreed to place 35 to 45 persons in community residential settings during the 1997-99 Biennium. Funding is provided to place 32 individuals and covers the cost of residential and day program services. This funding level also assumes savings from the closure of one 16-bed living unit in fiscal year 1999 (General Fund-Federal)

**17. Fircrest Active Client Engagement** - As part of the resolution with the Department of Justice (DOJ) to improve conditions at Fircrest School, the DSHS has agreed to additional staff coverage to ensure active client engagement and implementation of behavior and skill development programs. This item also includes funding for a DOJ consultant, contract personnel, and additional staff to meet DOJ concerns. (General Fund-Federal)

**18. ICF/MR Certification** - During recent certification surveys, the Intermediate Care Facilities for the Mentally Retarded (ICF/MR) at three of the state's Residential Habilitation Centers (RHCs) have been found out of compliance in the area of providing continuous active treatment to residents. To correct this deficiency, funding is provided for additional staff to cover staff breaks and maintain continuous treatment for residents' health and skill development. (General Fund-Federal)

**19. Increased Waiver Funding** - The 1997 Federal Balanced Budget Act will enable Washington to collect approximately \$2.8 million of new federal Medicaid match on the cost of employment services which were previously funded entirely with state dollars. (General Fund-Federal)

**20. Day Programs for Unserved Adults** - The state funds saved as a result of the increased federal match for employment and day services, above, will be used to provide day program services for adults who are currently unserved. The 685 unserved adults are expected to phase into services from April to June 1998. Because it will not be possible to spend all of the new funds available for fiscal year 1998 during this start-up period, approximately \$300,000 of the state fund savings are used to offset the cost of the other new community services funded in this budget.

**21. BHP Under-Expenditure** - Workers with family incomes below 200 percent of poverty who provide homecare services to people with developmental disabilities are eligible to enroll in the Basic Health Plan (BHP) at a cost of \$10 per month, with the balance of their premium cost covered by state Health Services Account and federal funds appropriated to the Division of Developmental Disabilities. Fewer homecare workers are enrolling in the BHP than budgeted, so funding is adjusted accordingly. (Health Services Account, General Fund-Federal)

**22. UCP Movement Adjustment** - A United Cerebral Palsy facility closure, funded in the FY 1997-99 budget, is occurring at a later date than anticipated. Funding is reduced and adjusted between fiscal years. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Long-Term Care Services**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	851.2	808,349	1,692,605
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-4.0	-285	-569
2. Vendor Rate Transfer	0.0	7,357	14,983
3. FMAP Change	0.0	-1,990	0
4. Correct FMAP Double-Count	0.0	1,990	0
5. Boarding Homes	4.0	132	658
6. Technical Corrections to FTEs	6.0	0	0
7. Adjust Federal Spending Authority	0.0	0	3,440
8. Boarding Home Fee Increase	0.0	37	76
9. New Nursing Home Payment System	0.0	-17,619	-34,057
10. Boarding Home Investigation Staff	11.5	1,368	1,868
11. Nursing Facility Census & Rate #	0.0	8,432	20,197
12. Community Services Caseload Growth	0.0	14,550	32,770
13. Community Program Reductions	0.0	-1,571	-3,286
14. AASA Case Management	29.3	2,982	5,963
15. AAA Case Management	0.0	1,634	2,748
16. BHP Under-Enrollment	0.0	79	-5,812
17. Legal Immigrants SSI	0.0	-732	-732
Total Supplemental Items	46.7	16,364	38,247
1997-99 Revised Appropriations	897.9	824,713	1,730,852

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Aging and Adult Services Administration. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Aging and Adult Services Administration. (Other Funds: General Fund-Federal)

**3. FMAP Change** - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**4. Correct FMAP Double-Count** - The governor's budget request accounted for the increase in federal funds resulting from a higher Federal Medical Assistance Percentage (FMAP) in both a discrete budget step, and in the savings generated with a proposed nursing home payment plan. Funding is provided to correct for this error of counting a general fund-state savings twice. (Other Funds: General Fund-Federal)

**5. Boarding Homes** - HB 2410 transfers responsibility for licensing, inspecting, and investigating complaints at boarding homes from the Department of Health to Aging and Adult Services Administration of DSHS. (Other Funds: General Fund - Local)

**6. Technical Corrections to FTEs** - In the 1997-99 budget the Legislature authorized funding for six staff to monitor the safety of long term care residential clients as part of the operation of a federally-mandated nursing home residential protection program. The FTEs were omitted from final documentation even though the positions were fully funded.

**7. Adjust Federal Spending Authority** - Federal funding for the federal Older American Act and a variety of other federal grant programs is greater than originally budgeted for the 1997-99 biennium. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Long-Term Care Services**

**8. Boarding Home Fee Increase** - Annual boarding home licensing fees are to be raised in order to cover the cost of increased quality assurance activities by the Department of Health. Funding is provided to cover the estimated cost of the fee increase, which is allocable to publicly-funded boarding home residents. (Other Funds: General Fund-Federal)

**9. New Nursing Home Payment System** - ESHB 2935 implements a new method for paying nursing homes for their care of Medicaid-eligible residents. Payment for care is composed of several different components, many of which are changed by this bill. The most significant change in the bill is that payment for direct care, which is provided to residents by nursing staff, will now be based on patient resource use. As a patient's condition declines, and the patient's need for nursing care increases, payment will also increase. The bill generates savings compared to the current budget because rates are forecast to increase under the bill's provisions at a slower rate than originally assumed in the budget. (Other Funds: General Fund-Federal)

**10. Boarding Home Investigation Staff** - Chapter 392, Laws 1997, raised the oversight standard and duties of the department with respect to care delivered in boarding homes. Further, more complaints of a complex and serious nature have been reported in the past year that require immediate investigation. Additional quality assurance staff may be hired to meet this demand. State support is provided on a one-time basis to meet this emergency with the understanding that by July 1, 2001, the licensure and quality assurance program for boarding homes will be fully supported by licensing fees. (Other Funds: General Fund - Local)

**11. Nursing Facility Census & Rate #** - Nursing home census is now expected to average 14,660 in fiscal year 1998 and 14,433 in fiscal year 1999. This is approximately 290 more publicly-funded residents than was anticipated in the original 1997-99 biennial budget, or a 2% increase over the budget estimates. Supporting these 290 additional cases will cost approximately \$20 million (\$8.4 million of which is general fund-state) more than originally budgeted. Additionally, nursing home payment rates and nurse's aide training are expected to be approximately 1% higher than originally budgeted for fiscal year 1998. These cost increases are offset to some degree by client contributions and federal funds each being higher than originally budgeted. (Other Funds: General Fund-Federal)

**12. Community Services Caseload Growth** - The number of persons receiving community-based long-term care is expected to grow by 12 percent in fiscal year 1998, rather than by 9 percent as budgeted. Additionally, the average cost per person served has grown by 8.1 percent in fiscal year 1998, rather than by 5.7 percent as budgeted. In order to avoid the drastic service reductions which would otherwise be necessary to correct for these over-expenditures, full funding in the amount of an additional \$14.1 million (\$6.7 million of which is general fund-state) is provided for fiscal year 1998. This is the amount that the agency indicates is necessary to cover these higher caseloads and costs per case.

For fiscal year 1999, funding is provided to increase the number of persons receiving community long-term care by an additional 11 percent, and to increase the average cost per person served by up to 4 percent. It is expected the agency will be able to manage within these levels by instituting improved resource management and utilizing less expensive forms of care. (Other Funds: General Fund-Federal)

**13. Community Program Reductions** - The House budget incorporates the following cost-control measures proposed by the Governor: 1) lidding monthly expenditures for COPES ancillary services; 2) maintaining Elder Place enrollment at 100 participants; and 3) establishing cost controls in the private duty nursing program. However, the House budget does not agree with the Governor's budget direction that the asset level under which a person qualifies for chore services should be reduced from \$10,000 to \$2,000, nor that any savings will be made in the adult day health program beyond those already budgeted in the original biennial budget. The Governor's budget saves funds in the adult day health program in this item and then restores nearly the same amount as a discrete step. The House budget does not take these steps. (Other Funds: General Fund-Federal)

**14. AASA Case Management** - Funding is provided for an approximately 8 percent increase in the ratio of state field staff to persons served. These staff are responsible for functions such as client assessment, financial eligibility determination, development of cost-effective care plans, and monitoring the quality of care provided in residential settings. These additional staff should add to the agency's ability to manage its caseload and service mix within the increased amounts provided in this budget. This item also includes \$1.3 million to continue operation of computerized systems which have been developed over the past several years to support client assessment, service authorization, and quality assurance functions. (Other Funds: General Fund-Federal)

**15. AAA Case Management** - Funding is provided for the Area Agencies on Aging (AAA) to provide care planning, service coordination, and quality oversight for the increased numbers of persons who are projected to receive home-based long term care during the 1997-99 biennium. Additionally, funds are provided for an 11 percent increase in the ratio of case managers to persons served, beginning in April 1998. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Long-Term Care Services**

**16. BHP Under-Enrollment -** The number of homecare workers receiving state-subsidized medical coverage through the Basic Health Plan (BHP) is now expected to average 1,200 in fiscal year 1998, and 1,600 in fiscal year 1999, rather than 3,800 and 4,300 as originally budgeted. This results in a reduction in Health Services Account expenditures from the level originally budgeted. However, the state general fund expenditures which cover the cost of BHP premiums for agency home care workers with incomes over 200% of poverty need to be increased, because premiums for the non-subsidized BHP are higher than budgeted. The net impact is a total funds reduction of \$5.8 million. (Other Funds: Health Services Account, General Fund Federal)

**17. Legal Immigrants SSI -** The original biennial budget included state funds to provide basic maintenance support for long-term care recipients who were to lose their federal Supplemental Security Income (SSI) benefits because they are not United States citizens. Because Congress subsequently restored their SSI eligibility, these state funds are no longer needed.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Economic Services**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	3,511.3	1,073,135	2,025,753
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-13.6	-691	-1,568
2. Vendor Rate Transfer	0.0	244	620
3. FMAP Change	0.0	295	0
4. GAU Caseload Savings	0.0	-54,680	-54,680
5. Transfer Quality Control Staff	-3.8	-206	-413
6. ECEAP program consolidation	0.0	-3,000	-3,000
7. Community Service Grants	0.0	0	-5,000
Total Supplemental Items	-17.3	-58,038	-64,041
1997-99 Revised Appropriations	3,494.0	1,015,097	1,961,712

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Economic Services program. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Economic Services Program. (Other Funds: Health Services Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches eligible state expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**4. GAU Caseload Savings** - Savings in the General Assistance-Unemployable (GAU) program are due primarily to legal immigrants who are eligible to remain on the federal Supplemental Security Income (SSI) program and will not transfer to the state GAU program as anticipated in the original 1997-99 biennial budget. Congress amended the federal welfare reform law to allow legal immigrants who were in the United States prior to August 22, 1996 to continue to receive SSI benefits. The adjustment also reflects assumed savings that the DSHS would make to limit GAU eligibility.

**5. Transfer Quality Control Staff** - Quality control staff that review Medicaid eligibility and payments are transferred from Economic Services to Medical Assistance Administration as an efficiency measure. (General Fund-Federal)

**6. ECEAP program consolidation** - For a number of years, Washington has leveraged the state's investment in early childhood education (ECEAP) by drawing federal Title IV and federal child care grants on behalf of eligible children through DSHS. Federal changes creating a single, consolidated Child Care Development Fund (CCDF) block grant present an opportunity for administrative efficiency. Funding is transferred from Economic Services to the Children's Administration so that one, rather than two, interagency contracts may be let with CTED (for a total of \$9.2 million) this biennium.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Alcohol & Substance Abuse**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	95.7	28,800	182,827
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-8	-8
2. Vendor Rate Transfer	0.0	2,046	4,601
3. FMAP Change	0.0	-49	0
4. Drug Courts	0.0	1,500	1,500
Total Supplemental Items	0.0	3,489	6,093
1997-99 Revised Appropriations	95.7	32,289	188,920

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Division of Alcohol and Substance Abuse (DASA). (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in DASA. (Other Funds: Violence Reduction and Drug Enforcement Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches eligible state expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**4. Drug Courts** - Funding is provided for the expansion of drug courts into three additional counties previously identified by the Washington State Association of Drug Court Professionals and the Drug Court Steering Committee. At least eighty percent of the funds provided for this purpose will be used for direct services to clients, with not more than ten percent used for administration and outcome evaluations.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Medical Assistance Payments**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	805.2	1,368,918	3,888,523
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-154	-596
2. Vendor Rate Transfer	0.0	9,620	22,328
3. FMAP Change	0.0	-4,998	0
4. Correct FMAP Double-Count	0.0	4,915	0
5. Enhanced Federal Match	0.8	8	3,960
6. Medicare Collections	0.0	-1,096	-2,286
7. Transfer Quality Control Staff	3.8	206	413
8. Increased Disproportionate Share	0.0	-34,828	128,045
9. Caseload Changes	0.0	-6,472	-25,634
10. Cost per Case Changes	0.0	-2,406	-7,576
11. Special Program Forecast Changes	0.0	-5,028	-15,011
12. Forecast Errata	0.0	22,735	0
Total Supplemental Items	4.5	-17,498	103,643
1997-99 Revised Appropriations	809.7	1,351,420	3,992,166

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in this program. (General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in this program. (Health Services Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches eligible state expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-Federal)

**4. Correct FMAP Double-Count** - In the Administration's request, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" step above, and also in the "Forecast Change" step below. Funding is restored to correct for this double-count. (General Fund-Federal)

**5. Enhanced Federal Match** - The federal government has made \$10.4 million of increased federal matching funds available for state medicaid administrative activities related to the transition from the old to the new welfare eligibility standards. This item provides \$3.95 million of that increased funding for local health departments and community-based organizations to conduct eligibility outreach and education activities. (General Fund-Federal)

**6. Medicare Collections** - The Medical Assistance Administration estimates it can reduce Medicaid expenditures by \$95,000 per month by adding three clerk positions to assure that Medicare eligibility is properly coded in agency computer systems. (General Fund-Federal)

**7. Transfer Quality Control Staff** - DSHS has transferred responsibility for Medicaid eligibility quality control from the department's Economic Services to its Medical Assistance Administration. (General Fund-Federal)

**8. Increased Disproportionate Share** - State savings may be realized due to increases in federal collections for uncompensated acute care. (General Fund - Federal, General Fund - Local)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Medical Assistance Payments**

**9. Caseload Changes** - The number of persons covered by medical assistance programs is expected to average 744,000 in fiscal year 1998, and 779,000 in fiscal year 1999. This is approximately 1 percent less than the number originally budgeted for fiscal year 1998, and 1 percent more than the number originally budgeted for fiscal year 1999. Due to the effects of the Workfirst welfare reform, the number of adults and children covered by medicaid because of eligibility for state income assistance programs is projected to decrease by 43,000 (14 percent) from the level originally budgeted for fiscal year 1999. Because of federal restrictions on eligibility for Supplemental Security Income (SSI), the number of disabled recipients covered by medicaid is expected to decrease to 107,000 in fiscal year 1999, a 6 percent reduction from the number originally budgeted. These caseload decreases are offset by continued rapid enrollment growth among children with family incomes below 200 percent of poverty who are not on welfare. An average of 310,000 such children are expected to be covered by medicaid in fiscal year 1999, which is 47,000 (18 percent) more than originally budgeted. (General Fund-Federal)

**10. Cost per Case Changes** - On average, costs per eligible person are now expected to be slightly lower than the level originally budgeted for 1997-99. Costs per covered person are expected to grow more slowly than total health care inflation among almost all eligibility groups, for both years of the biennium. While managed care rates are increasing an average of 4.76 percent in 1998, compared to 2.8 percent growth in total health care inflation, the cost of this rate increase has been offset by the fact that the eligible population is younger than originally projected, and consequently less expensive to serve. DSHS and the Legislature continue to expect managed care rates to increase by no more than 2 percent in 1999. (General Fund-Local)

**11. Special Program Forecast Changes** - These savings reflect an increase in the number of persons eligible for federal medicaid match on their Medicare Part B premiums, correct an over-estimate in the original biennial forecast of state and federal expenditures on family planning and refugee health services, and correct an under-estimate in the original forecast of expenditures on the federally-funded Indian Health program. (General Fund Federal)

**12. Forecast Errata** - Because of a programming error in the forecast model, the amount of state-funding required to fund Medical Assistance programs is \$22.7 million higher than anticipated in the Governor's original supplemental budget proposal. (General Fund-Federal)



**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Vocational Rehabilitation**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	337.4	17,244	99,690
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-1.0	-18	-97
2. Vendor Rate Transfer	0.0	40	40
3. Social Service Block Grant Decrease	0.0	383	0
Total Supplemental Items	-1.0	405	-57
1997-99 Revised Appropriations	336.4	17,649	99,633

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Vocational Rehabilitation program. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Vocational Rehabilitation program. (Other Funds: General Fund-Federal)

**3. Social Service Block Grant Decrease** - Congress has reduced federal funding for the Social Services Block Grant for federal fiscal year 1998. This item replaces the federal reduction with state funding so that services funded through the block grant can be maintained at their current level. Congress has not yet determined how much block grant will be appropriated for federal fiscal year 1999, so the amount of backfill needed in state fiscal year 1999, if any, cannot be determined at this time. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Administration/Support Svcs**

Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	654.7	48,528	89,150
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	2,861	5,435
2. Regulatory Reform	1.6	393	878
Total Supplemental Items	1.6	3,254	6,313
1997-99 Revised Appropriations	656.3	51,782	95,463

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in this program. (General Fund-Federal)

**2. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements (General Fund - Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Child Support Services**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,369.9	41,999	220,945
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-5.0	-224	-642
2. Incentive Pay Forecast Update	0.0	534	0
Total Supplemental Items	-5.0	310	-642
1997-99 Revised Appropriations	1,364.9	42,309	220,303

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Child Support program. (Other Funds: General Fund-Federal)

**2. Incentive Pay Forecast Update** - Funding is provided to offset a decrease in incentive pay from the federal government based on a projected decrease in child support collections. (General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Payments to Other Agencies**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	94,949	153,032
<b>1998 Supplemental Changes:</b>			
1. Vendor Rate Transfer	0.0	-45,728	-84,876
2. Attorney General Tort Defense	0.0	750	750
3. Child Abuse & Treatment Act	0.0	113	144
Total Supplemental Items	0.0	-44,865	-83,982
1997-99 Revised Appropriations	0.0	50,084	69,050

*Comments:*

**1. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum in this program for DSHS as a whole. The 1998 Supplemental Budget transfers the share of that total appropriation which will actually be used for vendor rate increases to other programs. In addition, a technical adjustment saves the state general fund \$539,000. (Other Funds: Health Services Account, Violence Reduction and Drug Enforcement Account, General Fund-Federal)

**2. Attorney General Tort Defense** - Funding is provided for Attorney General tort defense costs due to a significant increase in lawsuits involving child welfare and child placement activities.

**3. Child Abuse & Treatment Act** - Funds are provided for the creation of a fair hearing process and accelerated permanency planning for teenagers in foster care, two new requirements under the Federal Child Abuse and Treatment Act. Appropriations to this program allow the department to reimburse the Office of Administrative Hearings and the Office of the Attorney General for services. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Information System Services**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	179.0	0	0
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-8.0	0	0
Total Supplemental Items	-8.0	0	0
1997-99 Revised Appropriations	171.0	0	0

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Information Services System program.

**1997-99 Revised Budget (1998 Supp)**  
**Columbia River Gorge Commission**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2.3	435	870
<b>1998 Supplemental Changes:</b>			
1. Adjust to Oregon Fund Level	0.0	0	7
Total Supplemental Items	0.0	0	7
1997-99 Revised Appropriations	2.3	435	877

*Comments:*

**1. Adjust to Oregon Fund Level** - A technical adjustment is made in the Commission's private/local authority to reflect the amount of funds actually appropriated by the state of Oregon for the Commission's operations. (General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Ecology**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,444.2	51,873	248,209
<b>1998 Supplemental Changes:</b>			
1. Watershed Management	8.0	6,152	6,152
2. Dairy Waste Management	2.8	400	400
3. Grass Seed Burning Research	0.0	0	29
4. Increase Private/Local Authority	0.0	0	557
5. Marine Information System	0.0	0	40
6. Additional Federal Authority	0.0	0	925
7. Programmatic Adjustments	0.0	0	-1,319
8. Pine Hollow Study	0.0	300	300
9. Wetlands Mitigation Banking	1.1	196	196
10. Regulatory Reform	0.8	34	90
11. Fertilizer Regulation	1.3	0	417
12. Water Rights	1.1	268	268
13. Underground Storage Tank Program *	1.1	0	195
Total Supplemental Items	16.1	7,350	8,250
1997-99 Revised Appropriations	1,460.3	59,223	256,459

*Comments:*

**1. Watershed Management** - Funding is provided for technical assistance and grants to local watershed planning groups established in accordance with SHB 2514 (Integrated Watershed Management). \$5 million in grants is provided for initial organizing activities and watershed assessments, and \$1.2 million is provided to the Department for 16 FTE staff to provide technical assistance to local watershed planning units.

**2. Dairy Waste Management** - Funding is provided to develop technical assistance teams to assist dairy farmers in accordance with SHB 2915 (Dairy Nutrients). Staff will develop a dairy nutrient database, inspect every dairy farm within two years, identify and recommend corrective actions, assist in developing dairy nutrient management plans, and identify dairy producers who would benefit from technical assistance programs.

**3. Grass Seed Burning Research** - An adjustment is made in the appropriation authority for the Grass Seed Burning Research Account. The Department of Ecology will contract with Washington State University for additional research to identify economically feasible alternatives to grass seed burning in Eastern Washington. (Special Grass Seed Burning Research Account)

**4. Increase Private/Local Authority** - The Department of Ecology has received additional funding from outside sources to complete various projects. Authority is provided to allow expenditure of these funds. Some of the types of projects to be completed include a water quality study of Budd Inlet, education and research activities at Padilla Bay, and water quality studies related to forest management activities. (General Fund-Private/Local)

**5. Marine Information System** - The Marine Information System is a vessel information and risk analysis system developed by the Office of Marine Safety and private industry. Funding is provided to complete the final components of the system, including expanded vessel ownership information and historical enforcement tracking. (Oil Spill Administration Account)

**6. Additional Federal Authority** - The Department of Ecology has received additional federal funding for three specific projects to be allocated in the following manner: \$600,000 for DOE to integrate its information systems; \$250,000 for grants and contracts to local governments and non profits to support pollution prevention in the Lake Whatcom and Whatcom creek watersheds; and, \$75,000 for a pass through to the Pacific Northwest Pollution Prevention Research Center to support a pollution prevention newsletter and their pollution prevention resource network. (General Fund-Federal)

**7. Programmatic Adjustments** - Funding is reduced for several programs as a result of revenue shortfalls. Less revenue will be available to clean-up tire piles, address air quality, and manage solid waste. (Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, Solid Waste Management Account, Air Operating Permit Account)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Ecology**

**8. Pine Hollow Study** - Funding is provided to conduct a preconstruction analysis of Pine Hollow regarding its suitability as a site for a retainment dam and water storage reservoir. The analysis shall include, but is not limited to, an analysis of the geology and hydrology of the site and appropriate dam design and dynamics, its impact on water-related issues, and its impact on the Yakama Indian Nation and others water rights.

**9. Wetlands Mitigation Banking** - Funding is provided for staff to develop rules regarding certification and operation of wetlands mitigation banks, including determination and release of mitigation credits, in accordance with SHB 2339 (Wetlands Mitigation Banking).

**10. Regulatory Reform** - Funding is provided to implement ESHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements. (General Fund-Federal, Water Quality Permit, Air Pollution Control)

**11. Fertilizer Regulation** - Funding is provided to conduct a study of the presence of dioxins in soils, soil amendments and fertilizers. Staff are required to review and approve applications for waste-derived fertilizer in accordance with SHB 2618 (Fertilizer Regulation). (Local Toxics Account)

**12. Water Rights** - Funding is provided for staff and costs associated with reopening the water rights claim filing period for existing beneficial uses, and establishing a new water rights claim registry in accordance with HB 2924 (Water Rights).

**13. Underground Storage Tank Program \*** - Funding is provided for staff to operate a one-time tagging program that will identify tanks at facilities in compliance with federal and state requirements for underground storage tanks. This program is supported by fees paid by the owners of underground storage tanks. Fees will increase from \$75 to \$100 on July 1, 1998. The Underground Storage Tank program will continue to be operated by the Department in accordance with SB 6130 (Underground Storage Tanks). (Underground Storage Tank Account)



**1997-99 Revised Budget (1998 Supp)**  
**WA Pollution Liab Insurance Program**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	9.1	0	2,054
<b>1998 Supplemental Changes:</b>			
1. Legal Costs	0.0	0	100
Total Supplemental Items	0.0	0	100
1997-99 Revised Appropriations	9.1	0	2,154

*Comments:*

**1. Legal Costs** - As a result of a recent Washington Supreme Court ruling, the Pollution Liability Insurance Agency will pursue recovery of reinsurance funds spent on groundwater cleanup. New funding covers investigation, legal representation, and associated costs. (Pollution Liability Insurance Program Trust Account)

**1997-99 Revised Budget (1998 Supp)**  
**State Parks and Recreation Comm**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	563.8	40,861	72,572
<b>1998 Supplemental Changes:</b>			
1. PRSA Investment Authority	2.0	0	550
2. CAMA Beach Caretaker	0.5	114	114
3. Headquarters Lease Increase	0.0	109	109
4. Health and Safety Maintenance	1.0	0	694
5. Snowmobile Program Expansion	0.3	0	950
6. Northwest Avalanche Center Grant	0.0	0	40
Total Supplemental Items	3.8	223	2,457
1997-99 Revised Appropriations	567.6	41,084	75,029

*Comments:*

**1. PRSA Investment Authority** - An adjustment is made in the appropriation authority for the Parks Renewal and Stewardship Account (PRSA) to reflect anticipated revenues from two specific programs: the Environmental Interpretation program and overnight accommodations at Fort Worden. (Parks Renewal and Stewardship Account)

**2. CAMA Beach Caretaker** - Funding is provided for a full-time ranger at Cama Beach State Park to coordinate park development activities, work with interest groups, respond to fire emergencies, provide security, and organize and supervise volunteers.

**3. Headquarters Lease Increase** - Funding is provided for increased lease payments necessary to upgrade the heating and ventilation system and repair roof leaks at the existing facility.

**4. Health and Safety Maintenance** - Funding is provided to address health and safety issues at state parks. Projects include replacing or repairing shower meters, electrical systems, water systems, and sewer systems. One-time federal funds from fire mobilization reimbursements are available for these projects. (General Fund-Federal)

**5. Snowmobile Program Expansion** - Funding is provided for replacement of grooming equipment and trail grooming in snowmobile areas across the state. (Snowmobile Account)

**6. Northwest Avalanche Center Grant** - Funding is provided for operation of the Northwest Avalanche Center. The Center provides a variety of mountain weather and avalanche forecasts to state and federal agencies, as well as to the general public. This information protects the lives of motorists, snowmobilers, back country users, search and rescue personnel and ski patrols. It is funded by a variety of federal, state, and private sources. (Snowmobile Account, Winter Recreation Account)

**1997-99 Revised Budget (1998 Supp)**  
**Interagency Comm for Outdoor Rec**

Tuesday, Mar. 10, 1998  
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	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	20.1	0	2,988
<b>1998 Supplemental Changes:</b>			
1. National Recreational Trails	0.0	0	11
Total Supplemental Items	0.0	0	11
1997-99 Revised Appropriations	20.1	0	2,999

*Comments:*

**1. National Recreational Trails -** Funding is provided from a federal grant to administer the U.S. Department of Transportation's National Recreational Trails program. (General fund Federal)

**1997-99 Revised Budget (1998 Supp)**  
**State Conservation Commission**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	7.5	1,678	2,118
<b>1998 Supplemental Changes:</b>			
1. Conservation Reserve Program	1.0	1,000	1,000
2. Dairy Nutrients	2.0	200	200
3. Watershed Assessments	0.0	800	800
4. Volunteer Initiative	0.0	1,000	1,000
Total Supplemental Items	3.0	3,000	3,000
1997-99 Revised Appropriations	10.5	4,678	5,118

*Comments:*

**1. Conservation Reserve Program** - Funding is provided as a required state match to participate in the U.S. Department of Agriculture's (USDA) Conservation Reserve Enhancement Program. The program is designed to assist private landowners to restore and protect riparian zones to benefit salmon and improve water quality. The funding of \$1 million provided in the operating budget will be passed through to local conservation districts for technical assistance to assist individual landowners in designing restoration projects that meet federal requirements. The remaining match of \$5,000,000 for the state's share of restoration costs is provided in the capital budget. Federal funds would pay for 50% of the costs for restoring riparian areas and provide annual lease payments for 15 years to landowners.

**2. Dairy Nutrients** - Funding is provided for local conservation districts to provide technical assistance to dairy farmers in accordance with SHB 2915 (Dairy Nutrients).

**3. Watershed Assessments** - Funding is provided for watershed assessments to assist regional salmon recovery groups identify limiting factors for salmonids in accordance with SHB 2496 (Salmon Recovery Plan). Funding is provided for three regions: \$150,000 to the Lower Columbia evolutionarily significant unit (ESU); \$150,000 for the Snake River ESU; and, \$500,000 for the Puget Sound area.

**4. Volunteer Initiative** - Funding is provided to implement a pilot volunteer initiative to train volunteers, do public outreach and education, and encourage landowners and land managers to use volunteers for salmon habitat improvements.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Fish and Wildlife**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,632.0	72,227	250,808
<b>1998 Supplemental Changes:</b>			
1. Internal Program Shifts	0.0	-500	-500
2. Big Game Raffle Authority	0.0	0	250
3. Salmonid Restoration Grants	0.0	546	546
4. Columbia River Enforcement Officers	0.0	0	-1,878
5. License Buy Back Program	0.0	500	4,000
6. Deer and Elk Damage Claims	0.0	250	250
7. Fish Passage Barriers	0.0	450	450
8. Independent Science Team	0.0	25	25
9. Salmon Restoration Projects	0.0	2,204	2,204
10. Watershed Assessments/ESU	0.0	700	700
11. Deer and Elk Populations	0.0	50	50
12. Regional Enhancement Groups	0.0	500	1,750
13. Remote Site Incubators	0.0	200	200
14. Mass Marking of Chinook	0.0	775	1,400
15. PSEA Shortfall	0.0	0	-4
16. Governor's Salmon Team	0.5	75	75
Total Supplemental Items	0.5	5,775	9,518
1997-99 Revised Appropriations	1,632.5	78,002	260,326

*Comments:*

**1. Internal Program Shifts** - Resources are shifted between programs to meet the Fish and Wildlife Commission's and Department's priorities. Additional support is provided for customer service representatives in Yakima, Mill Creek, Spokane, and Ephrata, and Commission operating costs are increased. Reductions to cover this reprioritization will come from a \$335,000 savings in the hatchery program achieved by hiring part-time rather than full-time staff, reductions in fish management activities including sampling and computer support, and vacancy savings in the Wildlife program. \$500,000 in savings is re-directed for priority salmon recovery initiatives. (General Fund-State, State Wildlife Account-State)

**2. Big Game Raffle Authority** - Authority is provided to expend greater than expected revenue collected from auctions and raffles in the 1997-99 biennium. RCW 77.12.700 allows the Fish and Wildlife Commission to authorize auctions or raffles for sheep and elk permits. The revenue is dedicated to wildlife conservation purposes. (State Wildlife Account-State).

**3. Salmonid Restoration Grants** - Funding is provided for salmon restoration projects in the Puget Sound region.

**4. Columbia River Enforcement Officers** - The Bonneville Power Administration, at the recommendation of the Northwest Power Planning Council, has eliminated grants to the state for enforcement officers on the Columbia River. (General Fund-Federal)

**5. License Buy Back Program** - Funding is provided for the 25% state match portion of the commercial salmon license buy-back program. This program allows salmon fishermen the opportunity to sell their licenses back to the state and exit from salmon fisheries. (General Fund-State, General Fund-Federal)

**6. Deer and Elk Damage Claims** - Funding is provided for deer and elk damage claims. The winter of 1996-97 was difficult on deer and elk populations. Despite extensive feeding efforts by the state, damage to commercial crops from deer and elk was significant.

**7. Fish Passage Barriers** - Funding is provided to the Department to contract with the Department of Transportation to train additional engineers that can provide engineering and design review assistance to local governments and regional fisheries enhancement groups for fish passage barrier removal.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Fish and Wildlife**

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**8. Independent Science Team** - Funding is provided to create the independent science panel authorized in SHB 2496 (Salmon Recovery Plan). The panel will review regional salmon recovery plans, develop model monitoring programs for water quality and salmon habitat, and report to the Governor on adaptive management recommendations after reviewing habitat restoration plans.

**9. Salmon Restoration Projects** - Funding is provided to regional salmon recovery planning groups for salmon restoration projects. Funding is provided to each region as follows: \$1,454,000 to the Puget Sound region; \$250,000 to the Lower Columbia ESU; and, \$500,000 to the Snake River ESU.

**10. Watershed Assessments/ESU** - Funding is provided for watershed assessments and regional council evolutionary significant unit administration in accordance with SHB 2496 (Salmon Recovery Plan). Funding is provided to each region as follows: \$500,000 to the Puget Sound region; \$100,000 to the Lower Columbia ESU; and, \$100,000 to the Snake River ESU.

**11. Deer and Elk Populations** - Funding is provided for the Department to establish more accurate annual population estimates for deer and elk herds, and to determine the sources of elk and deer mortality.

**12. Regional Enhancement Groups** - Funding is provided to Regional Fisheries Enhancement groups for salmon restoration projects. The federal budget for federal fiscal year 1998 includes a specific grant for \$750,000 to the Department of Fish and Wildlife to support volunteer efforts of Regional Fisheries Enhancement Groups (RFEG). In addition, \$500,000 General Fund-State is provided to RFEG groups for salmon restoration projects. These funds will be deposited in the Regional Fisheries Enhancement Salmonid Recovery Account and expended as required by RCW 75.50.100. (Regional Fisheries Enhancement Account)

**13. Remote Site Incubators** - Funding is provided to implement a remote site incubator program in SW Washington tributaries of the Columbia River in accordance with SSB 6324 (Fish Remote Site Incubators).

**14. Mass Marking of Chinook** - Funding is provided for the mass marking of hatchery chinook in accordance with 2SSB 6264 (Chinook Salmon Mass Marking). The mass marking will be jointly funded by state, federal, and private entities. (General Fund - State, General Fund - Federal, General Fund - Local)

**15. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account, or PSEA. (Public Safety and Education Account)

**16. Governor's Salmon Team** - Funding is provided to establish a Salmon Recovery Office in the Office of the Governor in accordance with SHB 2496 (Salmon Recovery Plan). The Salmon Recovery Office will assist the Fish & Wildlife Commission in negotiating treaties, collect information regarding salmon recovery efforts, coordinate technical assistance to regional councils, and submit state salmon recovery plans to federal agencies in response to listings under the federal Endangered Species Act.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Natural Resources**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,579.2	47,935	240,112
<b>1998 Supplemental Changes:</b>			
1. GIS Inventory	0.0	117	117
2. Mobile Radio Replacement	0.0	0	750
3. Regulatory Reform	1.0	55	110
4. Aquatic Land Lease Rate Study	0.3	0	71
5. Spartina Eradication	0.0	0	50
Total Supplemental Items	1.3	172	1,098
1997-99 Revised Appropriations	1,580.5	48,107	241,210

*Comments:*

**2. Mobile Radio Replacement** - Radio equipment compatible with the new Federal Communications Commission's (FCC) regulations will be purchased for areas where failure to convert to the new channels within one year may result in loss of channel licenses and demonstrated usage of new radio communication channels is necessary to preserve these licenses. (Natural Resources Equipment Fund)

**3. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements. (General Fund-State, Forest Development Account, Resource Management Cost Account)

**4. Aquatic Land Lease Rate Study** - Funding is provided to study methods for calculating water-dependent lease rates on state-owned aquatic lands in accordance with SSB 6156 (State Aquatic Lands Leases). (Resource Management Cost Account)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Agriculture**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	718.7	14,604	78,338
<b>1998 Supplemental Changes:</b>			
1. Asian Gypsy Moth	5.0	421	782
2. Lease and Tenant Improvements	0.0	407	1,571
3. Fertilizer Safety Study	0.0	0	303
4. Livestock Identification Program *	0.0	95	190
5. Regulatory Reform	0.5	60	60
Total Supplemental Items	5.5	983	2,906
1997-99 Revised Appropriations	724.2	15,587	81,244

*Comments:*

**1. Asian Gypsy Moth** - Projects to eradicate infestations of Asian Gypsy Moths will be carried out in the spring of 1998. Infestations of this extremely destructive insect are identified through a trapping program, with eradication projects implemented the following spring. (General Fund-State, General Fund-Federal)

**2. Lease and Tenant Improvements** - Funding is provided for tenant improvements and lease increases. (General Fund - State, Agricultural Local Account-Nonappropriated)

**3. Fertilizer Safety Study** - Funding is provided to implement SHB 2618 (Fertilizer Regulation). The Department is required to conduct a comprehensive study of plant uptake of metals and to implement new fertilizer registration requirements.

**4. Livestock Identification Program \*** - The Livestock Identification Program is transferred from the Department to the Livestock Identification Board in accordance with HB 2887 (Livestock Identification). A new non-appropriated account is created, the Livestock Identification Account. One-time General Fund-State moneys of \$95,000 are appropriated to the Livestock Identification Account. (General Fund-State, Livestock Identification Account)

**5. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.



# 1997-99 Revised Budget (1998 Supp)

## Washington State Patrol

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	258.6	15,562	37,125
<b>1998 Supplemental Changes:</b>			
1. Background Checks	0.0	0	138
2. WACIC/WASIS Federal Grant Match	0.0	665	665
3. Narcotics Grant Match	0.0	0	454
4. Fire Training Academy	3.8	0	533
5. Data Center	0.0	1,054	1,054
6. Executive Protection	1.8	241	241
7. Transfer Certain Programs to GFS	17.8	10,087	10,087
8. PSEA Shortfall	0.0	137	-32
9. HIDTA Unanticipated Receipt	0.0	0	1,621
10. NCIC Unanticipated Receipt	0.0	0	173
Total Supplemental Items	23.3	12,184	14,934
1997-99 Revised Appropriations	281.8	27,746	52,059

### Comments:

**1. Background Checks** - Funding is provided to support ongoing background checks of school district employees through the Superintendent of Public Instruction (OSPI). To support the increased appropriation, fees charged to persons being checked as a condition of their employment will need to be increased. The budget authorizes the state patrol to increase these fees by no more than \$6. (Fingerprint Identification Account)

**2. WACIC/WASIS Federal Grant Match** - Funding is provided to complete changes to the WACIC (criminal history) and WASIS (hot file items such as warrants) systems which, among other goals, will ensure Year 2000 compliance. These system modifications are also supported by \$3 million in federal funds.

**3. Narcotics Grant Match** - The Washington State Patrol (WSP) receives an annual share of the federal Bureau of Justice Administration (Byrne) Grant. Funding is provided to support the required 33 percent state match. In the future, non-appropriated drug seizure accounts are expected to support the matching requirement. (Violence Reduction and Drug Enforcement Account, Controlled Substances Non-Appropriated Account)

**4. Fire Training Academy** - The Fire Training Academy has entered into a contract to train firefighters from the United States Navy. The contract is supported by fees which offset the full cost of providing access to the Academy. Additional expenditure authority is provided to support the contracted services. (Fire Service Training Account)

**5. Data Center** - The WSP has operated its own data center since the 1970s. The data center supports several criminal justice systems including WACIC (criminal history) and WASIS (hot file items such as warrants). In 1990, the Department of Corrections (DOC) transferred their system from the Department of Information Services (DIS) to WSP. In 1997, DOC transferred their system back to DIS citing performance, cost and long term planning concerns. When that transfer was made, the operating budget recognized \$1.1 million in savings resulting from a combination of the transfer and a subsequent DIS rate reduction.

Losing DOC as a customer left WSP unable to cover part of their fixed costs such as staff, facilities and software maintenance. Funding is provided at a level which supports current operations. Funding for the data center is shared between the operating and transportation budgets.

**6. Executive Protection** - Additional cadet staffing is provided to improve security coverage of the Governor's mansion and to mitigate overtime requirements of traveling and attending events with the Governor, his family, and the Lieutenant Governor.

**1997-99 Revised Budget (1998 Supp)**  
**Washington State Patrol**

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**7. Transfer Certain Programs to GFS** - Certain programs and portions of programs within the State Patrol were historically funded in the operating budget. In the 1993-95 Biennium, funding responsibility for many of these programs were transferred to the transportation budget. The operating budget assumes funding responsibility for these programs along with portions of two new programs, communications and electronic services, beginning in fiscal year 99. Similar transfers occur in the following agencies: Department of Community, Trade and Economic Development, Department of Licensing and the Office of Financial Management.

**8. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA). A portion of the reduction is offset with an increase in General Fund-State funding.

**9. HIDTA Unanticipated Receipt** - Additional federal funding is provided for narcotics enforcement. The funding is available as a result of the federal High Intensity Drug Trafficking Area (HIDTA) designation. (General Fund-Federal)

**10. NCIC Unanticipated Receipt** - Additional federal funding is provided for improving and upgrading the state's criminal justice information systems. This funding, along with other federal and state funding, will provide for the changes and improvements to the WACIC (criminal history) and WASIS (hot file items such as warrants) systems. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Licensing**

Tuesday, Mar. 10, 1998  
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	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	207.7	8,945	31,602
<b>1998 Supplemental Changes:</b>			
1. Overhead Realignment	0.0	273	-88
2. Cemetery Program Appeal	0.0	0	35
Total Supplemental Items	0.0	273	-53
1997-99 Revised Appropriations	207.7	9,218	31,549

*Comments:*

**1. Overhead Realignment** - The Department of Licensing (DOL) has re-assessed the overhead billings applied to each program area. The DOL's appropriations are adjusted based on the new overhead allocation. (General Fund-State, Architects' License Account, Cemetery Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Motorcycle Safety Education Account, State Wildlife Account, Highway Safety Account, Motor Vehicle Fund, Funeral Directors and Embalmers Account, Transportation Account)

**2. Cemetery Program Appeal** - Funding is provided to cover one-time legal expenses related to an appeal of disciplinary sanctions that the DOL took against a Walla Walla area cemetery. (Cemetery Account)

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**OSPI & Statewide Programs**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	235.5	60,833	157,195
<b>1998 Supplemental Changes:</b>			
1. Reduce 4th Grade Testing Burden #	0.0	375	375
2. Student Records Database	1.0	0	0
3. Staff/Background Investigations	1.5	0	0
4. Instructional Materials	0.0	-179	-179
5. Parent Participation	1.0	85	85
6. Offenders Prosecuted as Adults	1.0	115	115
7. Reading Teacher Test	0.0	216	216
8. Education Commission for the States	0.0	69	69
9. Alternative Education Programs	0.0	1,000	1,000
10. Pt Angeles Skill Center	0.0	50	50
11. Classroom Books	0.0	5,000	5,000
12. Voc Ed Leadership	0.0	100	100
13. Successful Readers Program	5.0	14,900	14,900
Total Supplemental Items	9.5	21,731	21,731
1997-99 Revised Appropriations	245.0	82,564	178,926

*Comments:*

**1. Reduce 4th Grade Testing Burden #** - Funding is provided to implement 2SHB 2849, which addresses the issue of testing elementary school students. Fourth graders are tested as many as three times during the school year including a standardized statewide test. The standardized test will be moved to the third grade. Students testing substantially below grade level in reading will be re-tested. The third grade test is more expensive per student because the test books are not re-usable due to third graders' limited skills at transferring information to separate answer sheets. The fourth grade exam books could be used one year after another. Further costs result from testing some students a second time.

**2. Student Records Database** - Funding is provided for development and implementation of a student record data system necessary to provide baseline and comparative analysis of student performance on assessments developed by the Commission on Student Learning (CSL).

**3. Staff/Background Investigations** - The Superintendent of Public Instruction may retain three staff (previously temporary staff) to handle the backlog of clerical work from investigations of background checks and charges of unprofessional conduct of school staff. Funding for the staff comes from increased fees collected by the Washington State Patrol to conduct background and fingerprint checks. The revenue from those fees is provided to the Superintendent's office through interagency reimbursement.

**4. Instructional Materials** - Current law provides \$20.82 per student in fiscal year 1999 for school instructional materials. However, enrollment in school year 1999 will be less than forecast by 8,625 students. The reduction reflects this change in enrollment.

**5. Parent Participation** - Funding is provided to implement 2SHB 2604 requiring a study and recommendations on effective practices involving parents in the education process. Included in the study will be evaluation of best methods for school personnel to involve parents in school activities as well as approaches to increasing student awareness of future opportunities in higher education.

**6. Offenders Prosecuted as Adults** - Funding is provided to implement SHB 2793 requiring a study of the educational status and needs of juvenile offenders prosecuted as adults and incarcerated in state correctional facilities and county jails. Also, as a result of the studies, recommendations on appropriate educational programs will be provided to the Legislature as required in Substitute House Bill 2793.

**7. Reading Teacher Test** - Funding is provided to implement SHB 2418, which requires a performance assessment of the ability of new elementary school teachers to teach reading after August, 2000. Development of the assessment will be done by the State Board of Education.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**OSPI & Statewide Programs**

**8. Education Comission for the States** - Funding is provided to re-instate membership in the Education Commisssion for the States to ensure assistance to the state on K-12 and higher education policy and finance issues. The Governor will select Commissioners to represent Washington.

**9. Alternative Education Programs** - Funding is increased to provide for more grants to school districts to provide start-up costs of alternative educational programs for students who are expelled or drop out of school. Once students are participating in the alternative program, state funding will be allocated on the same basis as district-enrolled students.

**10. Pt Angeles Skill Center** - Funding is provided for a skills center at Pt. Angeles contingent on meeting standards for skills centers to be developed by the Office of Superintendent of Public Instruction.

**11. Classroom Books** - Funding is provided in the 1998-99 school year for a collection of classroom books for each teacher in addition to instructional materials already funded in the 1997-99 biennial budget.

**13. Successful Readers Program** - Funding is provided to to implement HB 6509 (reading instruction training). Various strategies will be employed to help improve reading in elementary schools including: \$9,100,000 for inservice training and related instructional materials; \$100,000 for professional development materials for principals and volunteers and \$5,000,000 for teacher training of volunteer tutors and mentor.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**General Apportionment**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	6,940,884	6,940,884
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-46,600	-46,600
2. Staff Ratio Impacts	0.0	1,846	1,846
3. K-12 Compensation Impacts	0.0	-8,019	-8,019
4. K-12 Inflation	0.0	-4,771	-4,771
5. Other Adjustments	0.0	-4,097	-4,097
6. Vocational Ed. Formula Restructure	0.0	255	255
7. K-12 Audit Resolution Team	0.0	-250	-250
Total Supplemental Items	0.0	-61,636	-61,636
1997-99 Revised Appropriations	0.0	6,879,248	6,879,248

*Comments:*

**1. Enrollment/Workload Changes** - Public school enrollment growth is lower than anticipated by 7,005 full-time equivalent students in the 1997-98 school year (from 943,019 to 936,014) and an estimated 8,625 in the 1998-99 school year (from 959,507 to 950,882). While this is less than a one percent change in the original forecast in both years, the cost reduction totals \$46.6 million for the biennium.

**2. Staff Ratio Impacts** - The budget contains class size reduction funds for grades K-3. For the 4th -12th grades, 46 certificated instructional staff per 1000 students are provided, (1 staff per 21.74 students). For grades K-3, a maximum of 54.3 certificated staff per 1000 students are provided, (1 staff per 18.42 students). However, districts only receive the additional K-3 funding to the extent they utilize the additional staff. The budget contains assumptions about how many districts will utilize the maximum staffing. Actual data indicates that more districts than assumed are using the maximum staffing thus requiring a supplemental budget of \$1.8 million.

**3. K-12 Compensation Impacts** - The formula for distribution of salary funds for certificated instructional staff in each district contains a "staff mix" factor. Staff mix refers to the education and experience of this staff. The higher the staff mix factor the more funds are provided. The budget contains assumptions about changes in the staff mix factor from year to year and it was assumed that staff mix would increase. Data submitted by school districts through January 1998 indicates that the increase in the staff mix factor is lower than assumed.

**4. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for fiscal year 1998 has changed from 2.1 percent to 1.6 percent and for fiscal year 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**5. Other Adjustments** - Certain school districts receive federal and state forest funds. These funds are treated as local deductible revenues, which means that the state reduces state basic education funds in the amount of federal and state forest funds that districts receive. Receipts of these funds are greater than assumed in the original budget reducing the state general fund cost.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**General Apportionment**

**6. Vocational Ed. Formula Restructure** - The 1997 appropriations act for 1997-99 allocates 1 certificated staff per 18.3 vocational students. The 1997 budget specifies that, beginning in the 1998-99 school year, districts will receive funding for this ratio if they maintain such a ratio.

School districts will not be able to comply with budget conditions due to expenditure of staffing funds for contracted services, supplies and equipment. Normally, this type of expenditure is budgeted as a Non Employee Related Costs (NERC) allocation. The original budget provides \$15,344 for NERCs per certificated staff in the 1998-99 school year.

This 1998 supplemental budget changes the staffing ratio to 1 certificated staff per 19.5 students and increases the NERC from \$15,556 to \$19,775. Districts would still be required to maintain a ratio of 1 to 19.5 in order to receive funding for that ratio. The restructured formula shifts \$10.1 million from allocations for salaries to the NERCs .

**7. K-12 Audit Resolution Team** - Funds are provided in the state auditor's section of the budget to create a K-12 Audit Team. The auditors are to provide sufficient information to the office of the superintendent of public instruction to enable recovery of funds whenever audit exceptions are found in regular audits. In addition, these auditors will conduct special audits when a more comprehensive audit of a district's program is necessary. It is expected that these activities will generate audit recoveries of \$250,000 in the next school year.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Pupil Transportation**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	353,904	353,904
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	1,251	1,251
2. K-12 Inflation	0.0	-548	-548
Total Supplemental Items	0.0	703	703
1997-99 Revised Appropriations	0.0	354,607	354,607

*Comments:*

**1. Enrollment/Workload Changes** - Workload changes include several factors: 1. For the 1997-98 school year, reimbursable mileage is 34,578 miles higher than assumed in the original budget, from 4,056,689 miles to 4,091,267 miles. The increase is 24,721 miles higher for the 1998-99 school year. The reimbursement rate is approximately \$34 per mile per year. 2. K-5 headcount used for calculating safe walking allocations is 6,456 lower than the original budget. 3. The reimbursement to contractor's for school bus depreciation is \$1,070,000 less than budgeted.

**2. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for fiscal year 1998 has changed from 2.1 percent to 1.6 percent and for fiscal year 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.



**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**School Food Services**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	6,150	265,190
<b>1998 Supplemental Changes:</b>			
1. Summer Food Service Program	0.0	25	25
Total Supplemental Items	0.0	25	25
1997-99 Revised Appropriations	0.0	6,175	265,215

*Comments:*

**1. Summer Food Service Program** - State funds are provided to address part of the loss of federal funds in the summer food service program for children in low-income areas.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Special Education**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	744,813	879,919
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	6,011	6,011
2. K-12 Inflation	0.0	-482	-482
3. Other Adjustments	0.0	0	8,000
4. K-12 Audit Resolution Team	0.0	-250	-250
Total Supplemental Items	0.0	5,279	13,279
1997-99 Revised Appropriations	0.0	750,092	893,198

*Comments:*

**1. Enrollment/Workload Changes** - Enrollment in special education programs is higher than anticipated by 323 students in the 1997-98 school year (from 110,704 to 111,047) and an increase of 1,536 in the 1998-99 school year (from 111,698 to 113,234) increasing the cost of the program by \$6.0 million.

**2. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for fiscal year 1998 has changed from 2.1 percent to 1.6 percent and for fiscal year 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**3. Other Adjustments** - Reflects revised estimates of federal funding increases for special education.

**4. K-12 Audit Resolution Team** - Funding is provided in the state auditor's section of the budget to create a K-12 Audit Resolution Team in the state auditors office. The purpose of the team is to provide sufficient information to the office of the superintendent of public instruction to enable recovery of funds whenever audit exceptions are found in regular audits and to conduct special audits when a more comprehensive audit of a district's program is indicated. It is expected that the operations of the audit team will generate savings of \$250,000 in this program from increased audit recoveries.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Traffic Safety Education**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	0	17,179
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	0	-296
Total Supplemental Items	0.0	0	-296
1997-99 Revised Appropriations	0.0	0	16,883

*Comments:*

**1. Enrollment/Workload Changes** - The number of students completing traffic safety education is lower by 1,031 than estimated in the 1997-98 and 1998-99 school years.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Levy Equalization**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	173,952	173,952
<b>1998 Supplemental Changes:</b>			
1. Other Adjustments	0.0	-5,601	-5,601
Total Supplemental Items	0.0	-5,601	-5,601
1997-99 Revised Appropriations	0.0	168,351	168,351

*Comments:*

**1. Other Adjustments** - State funding for levy equalization is dependent upon the number of school districts requiring a higher than average tax effort to pass the equivalent of a ten percent state operating levy. Districts must receive voter approval for a local levy to qualify for state matching funds through levy equalization. Fewer school districts than assumed in the 1997 budget successfully passed operating levies in 1998, resulting in a cost reduction of \$5.6 million in state funding this program.

## 1997-99 Revised Budget (1998 Supp)

Tuesday, Mar. 10, 1998  
11:24 am

### Public Schools Institutional Education

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	0.0	37,009	45,557
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-2,509	-2,509
2. K-12 Compensation Impacts	0.0	-196	-196
3. K-12 Inflation	0.0	-7	-7
Total Supplemental Items	0.0	-2,712	-2,712
1997-99 Revised Appropriations	0.0	34,297	42,845

*Comments:*

**1. Enrollment/Workload Changes** - Enrollment in institutions is lower than anticipated in the original budget reducing costs by \$2.5 million.

**2. K-12 Compensation Impacts** - Actual 1997-98 salaries in institutions are lower than anticipated in the original budget.

**3. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for fiscal year 1998 has changed from 2.1 percent to 1.6 percent and for fiscal year 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Ed of Highly Capable Students**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	11,928	11,928
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-106	-106
Total Supplemental Items	0.0	-106	-106
1997-99 Revised Appropriations	0.0	11,822	11,822

*Comments:*

**1. Enrollment/Workload Changes** - Funding for the highly capable program is provided for up to two percent of each district's K-12 enrollment. Since enrollment is lower than anticipated \$106,000 less is needed to fund the program.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Education Reform**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	27.1	40,773	41,006
<b>1998 Supplemental Changes:</b>			
1. CSL Assessments Development	0.0	-950	-950
Total Supplemental Items	0.0	-950	-950
1997-99 Revised Appropriations	27.1	39,823	40,056

*Comments:*

\$800,000 general fund- state is provided in EHB 2432 (educator internships) for restoration of the principal internship program.

**1. CSL Assessments Development** - The Commission on Student Learning has requested a delay of one year in the due date for middle and high school science assessments resulting in savings of \$950,000 this biennium.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Transitional Bilingual Instruction**

Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	64,560	64,560
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-1,664	-1,664
Total Supplemental Items	0.0	-1,664	-1,664
1997-99 Revised Appropriations	0.0	62,896	62,896

*Comments:*

**1. Enrollment/Workload Changes** - New bilingual enrollment forecasts are lower than anticipated reducing the cost of the program by \$1.7 million. Enrollment for 1997-98 is reduced from 48,940 to 48,102 students. For 1998-99, enrollment is reduced from 52,646 to 50,466.



**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Learning Assistance Program (LAP)**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	121,171	121,171
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	129	129
2. K-12 Inflation	0.0	-76	-76
Total Supplemental Items	0.0	53	53
1997-99 Revised Appropriations	0.0	121,224	121,224

*Comments:*

**1. Enrollment/Workload Changes** - The Learning Assistance Program provides funds to school districts based on the proportion of low-achieving students in each district. K-12 enrollment is lower than anticipated, however, the number of students scoring in the lowest quartile is slightly higher than anticipated resulting in a net increase of \$129,000 in this program.

**2. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 1998 has changed from 2.1 percent to 1.6 percent and for Fiscal Year 1999 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Block Grants**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	106,777	106,777
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-827	-827
Total Supplemental Items	0.0	-827	-827
1997-99 Revised Appropriations	0.0	105,950	105,950

*Comments:*

**1. Enrollment/Workload Changes** - The Education Enhancement Program contains the block grant and student learning incentive grant programs. Block grant funds and student learning incentive grants are allocated based on enrollment. Since enrollment is lower than anticipated, the cost of this program is reduced by \$827,000.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Compensation Adjustments**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	196,276	196,276
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-1,510	-1,510
2. Staff Ratio Impacts	0.0	48	48
3. Vocational Ed. Formula Restructure	0.0	-253	-253
Total Supplemental Items	0.0	-1,715	-1,715
1997-99 Revised Appropriations	0.0	194,561	194,561

*Comments:*

**1. Enrollment/Workload Changes** - The 1997 Legislature granted a three percent salary increase for all education staff. Since enrollment is lower than anticipated, there are fewer teachers and other staff funded by the state. Therefore, the cost of the salary increase is lower by \$1.5 million.

**2. Staff Ratio Impacts** - Because more kindergarten through third grade teachers are being hired by districts to reduce class size in the earliest grades, there are more teachers eligible for the three percent salary increase granted by the 1997 Legislature than anticipated. This results in \$48,000 more in state funds for salary increases to additional teachers in the earliest grades.

**3. Vocational Ed. Formula Restructure** - As referenced in the apportionment program of the budget, the vocational education formula is being restructured allocating more funds for non employee related costs (NERC) and less staffing funds. This reduces the salary base and thus requires less salary increase funds in the 1998-99 school year.

# 1997-99 Revised Budget (1998 Supp)

## Higher Education Coordinating Board

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	57.8	190,927	203,581
<b>1998 Supplemental Changes:</b>			
1. Pre-Paid Tuition Program	0.0	1,435	2,633
2. Federal grants	0.0	0	23
3. Federal and Local Grants	0.0	0	12
4. Higher Ed Spokane Institutions	0.0	85	85
5. Cooperative Library Project	0.0	810	810
Total Supplemental Items	0.0	2,330	3,563
1997-99 Revised Appropriations	57.8	193,257	207,144

### Comments:

**1. Pre-Paid Tuition Program** - Additional one-time funding is provided for startup costs for the prepaid tuition program. In combination with the original appropriation, total funding provided for 1997-99 biennium startup costs is \$1,785,000. It is anticipated that funds from application fees and interest earnings will be available to repay the General Fund-State in the 1999 supplemental budget and in the future for administration of the program.

**2. Federal grants** - Federal carryforward funding is provided for the National Early Intervention Scholarship and Partnership Program.

**3. Federal and Local Grants** - Federal funding is provided for Veterans program approval and supervision and for carryforward funding for the competency-based admissions standards program. Carryforward funding is provided by the Education Commission of the States for the State Policy and College Learning project.

**4. Higher Ed Spokane Institutions** - Funding is provided for anticipated increased costs associated with re-structuring the Joint Center for Higher Education and the Spokane Intercollegiate Research and Technology Institute per SSB 6717 (providing for the transfer of the Spokane Riverpoint Campus to Washington State University and eliminating the Joint Center for Higher Education) and SSB 6655 (changing the Spokane Intercollegiate Research and Technology Institute).

**5. Cooperative Library Project** - Funding is provided to complete the electronic link among the libraries of the four year public institutions. The HECB will transfer the funds to complete the system to the University of Washington. Of the total appropriation, \$250,000 is a one-time allocation for equipment, and a portion of the ongoing funds will be used for the acquisition of shared electronic journals.

**1997-99 Revised Budget (1998 Supp)**  
**University of Washington**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	16,636.7	573,730	2,455,663
<b>1998 Supplemental Changes:</b>			
1. Space for New Enrollment in Bothell	0.0	150	150
2. DO-IT Program	3.3	560	560
3. State Toxicology Laboratory	0.8	0	352
4. Internet2/Next Generation Internet	2.5	3,000	3,000
5. Mental Health Care Policy Study	0.0	50	50
Total Supplemental Items	6.5	3,760	4,112
1997-99 Revised Appropriations	16,643.2	577,490	2,459,775

*Comments:*

**1. Space for New Enrollment in Bothell** - One-time funding is provided for tenant improvements to additional leased space to accommodate fiscal year 1999 enrollment.

**2. DO-IT Program** - Funding is provided to continue the Disabilities, Opportunities, Internetworking and Technology Program (DO IT) now that National Science Foundation funds have expired. In accordance with the change in funding, the focus of the program will switch from serving a nationwide population to Washington students exclusively. The DO IT program recruits high school students with disabilities and an aptitude in science, engineering, mathematics, or technology for college training and eventual careers in those fields.

**3. State Toxicology Laboratory** - Funding is provided from the Death Investigations Account for staff and equipment for the state toxicology laboratory to support implementation of quality control procedures and laboratory certification, enhanced screening of sexual assault victims for evidence of chemical incapacitation, blood alcohol and volatile intoxicants analysis, and blood tests for marijuana in driving cases.

**4. Internet2/Next Generation Internet** - Funding is provided to permit the University of Washington to connect to the very high performance Backbone Network Service (vBNS) initiated and partially funded by the National Science Foundation. Connection to the vBNS will allow the University, and therefore the state, to directly participate in the research and application of the next generation of telecommunications technologies. Application of those new technologies will provide the networking performance necessary to deliver education at a distance, such as multimedia instruction on desktop personal computers, and will also provide commercial opportunities for the state's software and computing industries. Of the amount provided, \$2.5 million represents a one-time investment in equipment.

**5. Mental Health Care Policy Study** - One-time funding is provided for a study of managed care in the public mental health care system by the Health Policy Analysis Program.

**1997-99 Revised Budget (1998 Supp)**  
**Washington State University**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	5,388.5	339,463	737,578
<b>1998 Supplemental Changes:</b>			
1. Enrollment Adjustment	-25.5	-2,655	-4,196
2. Construction Claim Costs	0.0	3,250	3,250
Total Supplemental Items	-25.5	595	-946
1997-99 Revised Appropriations	5,363.0	340,058	736,632

*Comments:*

**1. Enrollment Adjustment** - Funding is reduced commensurate with reductions in budgeted new FTE student enrollments at the Pullman and Tri-Cities campuses for fiscal year 1999 in order to more accurately reflect expected enrollment patterns. Fiscal year 1999 enrollment at Pullman is reduced by 451 FTE students, and fiscal year 1999 enrollment at the Tri-Cities branch campus is reduced by 60 FTE students.

**2. Construction Claim Costs** - One-time funding is provided to pay for the costs of litigation, negotiation and claims settlement associated with the Vancouver branch campus and Veterinary Teaching Hospital capital projects.

**1997-99 Revised Budget (1998 Supp)**  
**Central Washington University**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,004.4	75,830	140,259
<b>1998 Supplemental Changes:</b>			
1. Fire Protection Contract	0.0	90	90
Total Supplemental Items	0.0	90	90
1997-99 Revised Appropriations	1,004.4	75,920	140,349

*Comments:*

**1. Fire Protection Contract** - Funding is provided for cost increases in the fire protection contract with the City of Ellensburg Fire Department beginning with the new contract's effective date in January 1998.

**1997-99 Revised Budget (1998 Supp)**  
**The Evergreen State College**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	612.2	40,669	72,299
<b>1998 Supplemental Changes:</b>			
1. WSIPP Special Education Review	0.0	50	50
2. Space Modifications	0.0	250	250
3. WSIPP Financial Aid Followup	0.0	35	35
Total Supplemental Items	0.0	335	335
1997-99 Revised Appropriations	612.2	41,004	72,634

*Comments:*

**1. WSIPP Special Education Review** - One-time funding is provided to the Washington Institute for Public Policy for a review of special education laws and their impact on Washington's education system.

**2. Space Modifications** - One-time funding is provided for space modifications necessary to accommodate budgeted enrollment increases.

**3. WSIPP Financial Aid Followup** - One-time funding is provided to the Washington State Institute for Public Policy for financial aid research into student employment and resources. Results of the study will be reported to the legislature by January 15, 1999.



**1997-99 Revised Budget (1998 Supp)**  
**Community/Technical College System**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	12,147.3	803,852	1,337,355
<b>1998 Supplemental Changes:</b>			
1. Auditor & Risk Management Billing	0.0	214	214
2. Work Force Training Enrollment	0.0	-2,768	0
3. Technology Equipment Matching Funds	0.0	700	700
4. Cascadia Community College Delay	0.0	-700	-700
Total Supplemental Items	0.0	-2,554	214
1997-99 Revised Appropriations	12,147.3	801,298	1,337,569

*Comments:*

**1. Auditor & Risk Management Billing** - Funding is provided for increased State Auditor and risk management costs over the course of the biennium. These costs should have been built into the agency's biennial budget but were inadvertently omitted.

**2. Work Force Training Enrollment** - The fund balance available in the Employment and Training Trust Fund is substituted for General Fund-State to support the current budgeted level of FTE students (up to 7,200 FTE students).

**3. Technology Equipment Matching Funds** - One-time funding is provided for a technology equipment matching program. Each college district will match this funding with an equal amount of cash donations from private sources.

**4. Cascadia Community College Delay** - Funding is reduced at the new Cascadia Community College for acquisition of startup equipment and library resources due to a change in the college's development schedule. These resources will not be required by the college until the 1999-01 biennium.

**1997-99 Revised Budget (1998 Supp)**  
**State School for the Blind**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	72.3	7,452	7,644
<b>1998 Supplemental Changes:</b>			
1. Audit Services	0.0	18	18
2. Outreach Services Program	1.9	0	226
Total Supplemental Items	1.9	18	244
1997-99 Revised Appropriations	74.2	7,470	7,888

*Comments:*

**1. Audit Services** - Funding is provided for audit services. This item corrects funding that was not included in the 1997-1999 biennial budget.

**2. Outreach Services Program** - Local funding is increased to provide educational services to blind and visually impaired children in school districts throughout the state. This program is supported by revenue from contracted services with school districts. (General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**State School for the Deaf**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	129.0	12,917	12,917
<b>1998 Supplemental Changes:</b>			
1. Audit Services	0.0	18	18
Total Supplemental Items	0.0	18	18
1997-99 Revised Appropriations	129.0	12,935	12,935

*Comments:*

**1. Audit Services** - Funding is provided for auditing services. This item corrections funding that was not included in the 1997-1999 biennial budget.

# 1997-99 Revised Budget (1998 Supp)

## State Library

Tuesday, Mar. 10, 1998  
11:24 am

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	132.1	14,764	19,611
<b>1998 Supplemental Changes:</b>			
1. Government Info Locator Service	1.5	200	200
2. Technical Corrections	0.0	100	2,070
3. Collection Enhancement	0.0	100	100
Total Supplemental Items	1.5	400	2,370
1997-99 Revised Appropriations	133.6	15,164	21,981

### Comments:

**1. Government Info Locator Service** - Funding is provided to continue the Government Information Locator Service project in fiscal year 1999. The project facilitates electronic public access to government information by arranging it in standard ways so that the public need not know the structure of government to locate information.

**2. Technical Corrections** - Additional state funding is provided to cover the current shortfall in the capital facilities surcharge. Federal spending authority is increased to utilize an anticipated increase in federal revenue. (General Fund-State, General Fund-Federal)

**3. Collection Enhancement** - One-time funding is provided for the State Library's collection.

**1997-99 Revised Budget (1998 Supp)**  
**Washington State Historical Society**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	53.6	5,033	6,487
<b>1998 Supplemental Changes:</b>			
1. Off Site Relocation	0.0	320	320
2. Lewis and Clark Bicentennial	0.0	50	50
Total Supplemental Items	0.0	370	370
1997-99 Revised Appropriations	53.6	5,403	6,857

*Comments:*

**1. Off Site Relocation** - One-time funding is provided for a temporary relocation of Research Center operations made necessary by the Center's seismic and infrastructure renovation project, which was funded in the 1997-1999 Biennium capital budget.

**2. Lewis and Clark Bicentennial** - Funding is provided for planning, coordination and development of programs to commemorate the 200th anniversary of Lewis and Clark's journey to the Northwest. The bicentennial will be recognized by trail states between 2003-2007. The commemoration will require national and regional planning.

**1997-99 Revised Budget (1998 Supp)**  
**Bond Retirement and Interest**

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	982,009	1,140,689
<b>1998 Supplemental Changes:</b>			
1. Debt Service Update	0.0	129	129
2. Underwriters Discount	0.0	0	1,549
3. Technical Correction	0.0	0	1,862
Total Supplemental Items	0.0	129	3,540
1997-99 Revised Appropriations	0.0	982,138	1,144,229

*Comments:*

**1. Debt Service Update** - The appropriations for debt service are updated to reflect the debt service cost on sales that have occurred since April 1997 and more recent interest rate estimates for future sales during the 1997-99 Biennium. (General Fund-State, Highway Bond Retirement Account-State, Ferry Bond Retirement Account-State)

**2. Underwriters Discount** - The government accounting standard practice for reporting the underwriter's discount on a bond sale was revised in July 1997. Previously recorded as a reduction to revenue, the underwriter's discount is now recorded as a debt service expense. This change requires an appropriation for the discount in the debt service funds. (State Building Construction Account, Public Safety Reimbursable Bond Account, Higher Education Construction Account)

**3. Technical Correction** - In the 1997 initiative to simplify debt service funds, the debt service for the Natural Resources Building was inadvertently omitted from the budget bill. This action corrects that omission by providing appropriation authority to pay the debt service obligation on that facility. (Debt-Limit Reimbursable Bond Retirement Account)

# 1997-99 Revised Budget (1998 Supp)

## Special Approps to the Governor

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	0.0	15,424	43,119
<b>1998 Supplemental Changes:</b>			
1. Remove Year 2000 GF-S Appropriation	0.0	-5,340	-6,327
2. Tort Claim	0.0	6,733	6,733
3. Year 2000 Contingency Pool	0.0	5,000	10,000
4. Year 2000 Conversion	0.0	266	5,212
5. Local Criminal Justice Funding	0.0	2,000	2,000
6. Approp to the Motor Vehicle Fund	0.0	3,000	3,000
Total Supplemental Items	0.0	11,659	20,618
1997-99 Revised Appropriations	0.0	27,083	63,737

### Comments:

**1. Remove Year 2000 GF-S Appropriation** - The Governor's veto of Section 702, Chapter 454, Laws of 1997, created duplicate General Fund-State (GF-S) appropriations for Year 2000 computer maintenance projects. This reduction reflects the technical adjustment to eliminate the duplication.

**2. Tort Claim** - This amount is provided for a pending claim.

**3. Year 2000 Contingency Pool** - This summer the state began a comprehensive review of the status of its Year 2000 conversion process. The first phase of that process involved establishing "best practices benchmarks" for agency management of the issue. The second phase of the process examined the status of a number of high priority conversion projects. The early stages of phase 2 identified a number of projects requiring additional resources. (General Fund-State, Year 2000 Contingency Revolving Account)

**4. Year 2000 Conversion** - The Office of Financial Management will allocate funds from the state General Fund and other fund sources to the Department of Retirement Systems, Department of Licensing, Department of Revenue, Employment Security Department, Department of Health, and the Health Care Authority to address resource shortfalls identified for Year 2000 conversion projects. (General Fund-State, various other accounts)

**5. Local Criminal Justice Funding** - Funding is provided to local governments for the costs of implementing criminal justice legislation including Second Substitute House Bill No. 3070 (DUI penalties), Second Substitute House Bill No. 3089 (deferred prosecution) and Second Substitute House Bill No. 2962 (criminal mistreatment). Funds will be distributed to local governments through the Municipal Criminal Justice Assistance Account and County Criminal Justice Assistance Account.

**6. Approp to the Motor Vehicle Fund** - As part of the comprehensive financing plan for transportation and local criminal justice (EHB 2894), an appropriation is made to the Motor Vehicle Fund.

**1997-99 Revised Budget (1998 Supp)**  
**Sundry Claims**

Tuesday, Mar. 10, 1998  
 11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	0	0
<b>1998 Supplemental Changes:</b>			
1. Self-Defense Claims	0.0	193	193
2. Deer and Elk Damage Claims	0.0	0	3
Total Supplemental Items	0.0	193	196
1997-99 Revised Appropriations	0.0	193	196

*Comments:*

**1. Self-Defense Claims** - On the recommendation of the Division of Risk Management, payment is provided under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.

**2. Deer and Elk Damage Claims** - On the recommendation of the Division of Risk Management, payment is provided under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (State Wildlife Account)



# 1997-99 Revised Budget (1998 Supp)

## State Employee Compensation Adjust

	FTEs	House Passed GF-S	Total
1997-99 Original Appropriations	0.0	86,963	170,623
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit-Pension Funding Acc	0.0	0	25,000
2. Retiree Lawsuit Settlement	0.0	3,311	5,322
3. Life Insurance Settlement	0.0	617	991
Total Supplemental Items	0.0	3,928	31,313
1997-99 Revised Appropriations	0.0	90,891	201,936

*Comments:*

**1. Retiree Lawsuit-Pension Funding Acc** - The \$25 million in the Pension Funding Account is transferred to the Public Employees' and Retirees' Insurance Account to be used by the Health Care Authority to pay claims resulting from the settlement in Retired State Employees et al. State of Washington. (Pension Funding Account)

**2. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves. (General Fund-State, General Fund-Federal, General Fund-Local and Salary and Insurance Increase Revolving Account)

**3. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State. (General Fund-State, General Fund-Federal, General Fund-Local and Salary and Insurance Increase Revolving Account)

**1997-99 Revised Budget (1998 Supp)**  
**Other Legislation**Tuesday, Mar. 10, 1998  
11:24 am

	<b>FTEs</b>	<b>House Passed GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	7,778	7,778
<b>1998 Supplemental Changes:</b>			
1. EHB 2432 Principal Internships	0.0	800	800
Total Supplemental Items	0.0	800	800
1997-99 Revised Appropriations	0.0	8,578	8,578

*Comments:*

**1. EHB 2432 Principal Internships** - EHB 2432 revises the Superintendent, Program Administrator, and Principal Internship programs. Participants in the revised programs must agree certain conditions, including participating in an evaluation of the programs. Funding for the program will be distributed by the SPI, rather than by the Educational Service Districts.